



Baltimore County Maryland

**Comprehensive Annual Financial Report
For The
Fiscal Year Ended June 30, 2016**

Baltimore County, Maryland



Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2016

Prepared By The Office Of Budget and Finance

INTRODUCTORY



SECTION

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BALTIMORE COUNTY, MARYLAND
FOR THE YEAR ENDED JUNE 30, 2016
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KEVIN KAMENETZ
County Executive

KEITH DORSEY, Director
Office of Budget and Finance

December 23, 2016

Honorable County Executive and Members of
The Baltimore County Council

The Comprehensive Annual Financial Report (CAFR) of Baltimore County, Maryland (the "County") for the fiscal year ended June 30, 2016 is submitted herewith in accordance with the requirements of Section 516 of the Baltimore County Charter. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that all disclosures are included that are necessary to enable the reader to gain the maximum understanding of the County's financial affairs.

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles as applicable to governmental entities in the United States (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The County's financial statements have been audited by CliftonLarsonAllen LLP, Independent Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the County's financial statements for the fiscal year ended June 30, 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that the County's financial statements as of and for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section.

The County is required to undergo a federally mandated annual audit called "The Single Audit" which is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE COUNTY

The Reporting Entity And Its Services

The County is a corporate polity which performs all local governmental functions within its jurisdiction, as there are no incorporated towns, villages, municipalities or other political subdivisions with separate taxing authority. Under home rule charter since 1957, the County is governed by an elected County Executive and a seven-member County Council with each serving separate executive and legislative functions, respectively.

The Community College of Baltimore County, the Board of Education of Baltimore County, and the Board of Library Trustees for Baltimore County are reported as discretely presented component units because they are deemed to be fiscally dependent on the County. The component units are reported separately within the County's financial statements to emphasize that they are legally separate from the County. The County and its component units provide the full range of municipal services contemplated by statute or charter. This includes education, police and fire protection, sanitation, health and social services, public improvements, planning and zoning, recreational and cultural activities, and general administrative services.

Adopted Budget

The annual budget serves as the foundation for the County's financial planning and control. Pursuant to County Charter, the County Executive presents the capital and operating budgets to the County Council during April of each year. The County Council may decrease or delete any items in the budget except those required by the public laws of the State of Maryland and except any provision for debt service on outstanding obligations or for estimated cash deficits. In its deliberations, the Council considers the recommendations of the Spending Affordability Committee (Committee) consisting of 3 members of the County Council and 2 other members from an area of specialty, such as finance, organized labor, etc. On or before February 15 in each year, the Committee submits to the County Council and County Executive a report with recommendations on fiscal goals or growth in the County budget to a level that does not exceed the rate of growth of the County's economy. The budget must be adopted by the affirmative vote of not less than four members of the County Council on or before June 1 each year. The adopted budget becomes effective July 1 and provides the spending authority at the program level for the County's operations.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management. A budget-to-actual comparison is provided for the General Fund on page 21 as part of the basic financial statements for the governmental funds. Additional information regarding the County's budget can be found in Note 1 of the notes to the basic financial statements and in schedules provided in the other supplementary information section.

As part of the annual operating budget process, the County develops a six-year Capital Improvement Program (CIP) consisting of the upcoming fiscal year's appropriations (the "Budget Year") and the succeeding five-year program. The CIP is divided into two areas: the Metropolitan District, for all water and sewer projects, and the Consolidated Public Improvements for all other capital projects. A major source of funding for the CIP is borrowed funds. CIP bond appropriations appearing in the Budget Year represent an authorization to borrow money. The cost to service this debt impacts the General Fund and the Metropolitan District Fund and increases with the amount of outstanding debt.

INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Economic Condition

The County is situated in the geographic center of Maryland, surrounding the City of Baltimore almost entirely. The County is the largest jurisdiction by population in a metropolitan area with more than 2.6 million people. The City of Baltimore and the County are entirely separate political units.

The County has the third largest land area of any political subdivision in the State of Maryland. Within its 612 square miles (plus an additional 28 square miles of water with over 200 miles of shoreline) are situated at least 29 identifiable, unincorporated communities which, as of 2010, ranged in population from approximately 4,300 to 63,000. The County's overall population grew 10% from 754,292 in 2000 to 831,128 in 2015. Today, the County has the third highest population in the State of Maryland and the second highest number of jobs.

Healthcare and education, the sectors that generally report job stability and growth despite economic downturns, are well represented in the County by five regional medical centers and five major colleges and universities. BD Diagnostic Systems shares a zip code with Pay Pal and a large concentration of nationally recognized professional service organizations. Headquarters for the Social Security Administration and Centers for Medicare and Medicaid Services and a corps of IT contractors form the Woodlawn Federal Center. Major operations of T. Rowe Price, Toyota Financial Services, Euler Hermes, Zurich America, Baltimore Life, Farmers Insurance Group, and Bank of America form a powerful finance-insurance community. Manufacturing holds its place with companies such as: General Motors, McCormick and Company, Stanley Black & Decker Global Tools and Storage, Lockheed Martin, AAI Textron, and Middle River Aircraft.

New Business and Real Estate Activity

The following section highlights a sampling of business and real estate activity in the County from June 2015 to June 2016

Towson Square – This mixed use project in Towson, developed by a joint venture of Heritage Properties and The Cordish Company, was acquired by Retail Properties of America, Inc. ("RPAI"). RPAI is a real estate investment trust and is one of the largest owners and operators of high quality, strategically located shopping centers in the United States. Towson Square includes a 75,000 square foot, 3,400 seat, 15 screen multiplex cinema atop a three story, 850 space garage. Seven restaurants are open. The pedestrian friendly plaza includes a traffic circle with a European style fountain, bistro style outdoor dining areas and landscaping. The County invested \$6.2 million toward the parking garage and \$2 million for infrastructure improvements, which is leveraging \$85 million in private investment. The project has brought an estimated 1,530 jobs to the area, 660 construction jobs and another 870 jobs related to the completed project.

Towson Residential – Since 2008, over 1,200 new luxury apartment units in three major projects have been completed. Wood Partners has teamed with Chesapeake Realty Partners to develop The Winthrop, which consists of 295 units. A second phase, developed by Wood Partners and Taylor Property Group, will comprise 175 units and is almost complete. The apartments will be owned and operated separately, but their design is complementary. These buildings replace a 70 year old, 150 unit apartment complex and will triple the site's density. A \$60 million, 611 bed, 248 unit student housing project with first floor retail is planned at 101 York Rd. Project details are being finalized.

The Flats at 703 – Federal Realty Investment Trust has broken ground on this new 105 unit apartment project located at 703 Washington Avenue. Rents will range from \$1,300 for a one bedroom to \$1,900 for

some two bedroom apartments. A roof deck planned for the project will include a gazebo, a water feature, seating, and elevator access. Street level features include landscaping, bike racks and benches. The project is expected to be completed in 2017.

Towson Circle – RPAI and AvalonBay Communities have announced that work will begin next year on a major mixed use residential high rise project with ground floor retail at the corner of Dulaney Valley Road and Joppa Road in the heart of Towson. The goal is to activate the area around Towson Circle by adding apartments to the project and bringing the underground retail from Joppa Road to street level. Structured retail and the residential parking will be included. Long term plans include integrating the new project with Towson Square which RPAI purchased last year.

Towson Mews – Evergreene Homes is constructing thirty four luxury townhomes to be built on two acres bounded by East Pennsylvania, Jefferson, and Virginia Avenues.

Towson Row – Demolition is complete on this transformative, \$350 million mixed use development at the southern gateway to downtown Towson, one block from Towson University. The development program calls for 200,000 square feet of Class A office space, 350 luxury residential units, 200 limited service hotel rooms, 300 quality student housing units and more than 100,000 square feet of retail, shops, restaurants and anchored by the 45,000 square foot Whole Foods Market grocery chain.

The Shops at Kenilworth – Greenberg Gibbons has begun work on a \$20 million renovation to The Shops at Kenilworth, a landmark shopping destination in Towson, Md., which was originally built in 1979. Plans call for transforming the concrete exterior and outdated interior into a more contemporary and welcoming specialty shopping and community gathering place. The design concept includes reducing the current space by 8,000 square feet and adding a 20,000 square foot, three level “marketplace” featuring a wine bar, a mix of casual and fine dining options, and a rooftop garden with panoramic views. Stebbins Anderson has opened their new store, located on the lower level. Trader Joe’s has announced that they will relocate to The Shops at Kenilworth. Project completion is targeted for 2017.

Towson Commons Retail – Affiliates of MFI and Woodmont Properties II have taken control of, and are redeveloping 115,000 square feet of retail space along York Road and Pennsylvania Avenue. MFI Realty, a retail focused brokerage firm, is the leasing agent for the local investment group. Boho Nation recently opened in a retail space on York Road next to the entrance. This retailer of “bohemian style” women’s clothing was attracted to the project because of the proximity of Urban Outfitters, which caters to a similar demographic. CVS is now open at the York Road frontage of Towson Commons.

Nacho Mamas – will be opening a 6,700 square foot restaurant in the former S&G Crab Ranch space on Pennsylvania Avenue in Towson by the end of 2016.

Metro Centre at Owings Mills – Metro Centre at Owings Mills is a mixed use, transit oriented special taxing district that is being developed by Owings Mills Transit, LLC through the use of tax increment financing. At completion, the project will support more than 1.2 million square feet of commercial office space, 300,000 square feet of complementary retail space, 1,700 residential units, educational facilities and a hospitality component. The project adjoins the Owings Mills Metro stop and two commuter parking garages with a total of 5,277 spaces. Total investment in the project is expected to be \$550 million. The project already completed a 120,000 square foot County Campus that includes a County library, community college branch, and two five story upscale buildings with 232 apartments that are 85% leased and ground floor retail and restaurant space that is 60% leased. Honey House and Eggspectation are the newest retail tenants. A new four story 200,000 square foot Class A mixed use office and retail building is under construction and scheduled to be completed by the end of summer 2016. The building, including the linked parking garage, will cost more than \$50 million to build. The developer, David S. Brown Enterprises, Ltd., will initiate construction of a full service, 225 room hotel amenity, expected within the year. It is expected to have large event and conference room space including catering facilities.

Carefirst – has renewed their leases in six buildings in Owings Mills and they are keeping 2,200 employees in 655,000 square feet there. The company conducted an RPF for space in the region and was considering other options before electing to stay in Baltimore County.

Foundry Row – This \$140 million mixed use development in Owings Mills, anchored by a Wegman's grocery store, will include 356,000 square feet of retail space and 48,000 square feet of office space. Joining Wegmans as tenants will be LA Fitness, DSW, Ulta Beauty, Bagby Pizza, Panera Bread, Zoe's Kitchen, Smashburger, Nally Fresh, Bar Louie, Mission BBQ, a La-Z-Boy furniture, Chipotle, Xfinity, Foundry Row Wine & Spirits, Massage Envy, Sleep Number, Mani Luxe, Hair Cuttery and a Floyd's 99 Barbershop. The Wegmans store is under construction and slated to open in September 2016, with the other retailers to follow in 2017. LifeBridge Health will occupy 40,000 square feet of office in the project.

Hunt Valley Towne Centre – Avalon Hunt Valley, a \$70 million upscale apartment complex on the eastern end of Hunt Valley Towne Centre, will begin delivering its first units in August 2016. The 332 unit Class A apartment building offers a variety of amenities, including a dog park, a gym and a game room. The new apartment community will sit above 30,000 square feet of retail.

Executive Plaza – This 550,000 square foot office complex in Hunt Valley was built in the 1960s and 1970s. Executive Plaza has undergone a \$12 million renovation. Improvements include a fresh coat of paint on the building's façade; energy efficient, floor-to-ceiling windows; 40 renovated restrooms, 36 renovated elevator lobbies and new exterior signage and new landscaping. The complex's retail area, which features a daycare center, a branch of the U.S. Post Office, dry cleaners, cafeteria and conference center, is also getting redesigned. Occupancy in the project's four office buildings is up to 90% from a recession low of 78% and over 150,000 square feet of space has been leased in recent months. A new 7,200 square foot Texas Roadhouse restaurant is now open on a pad site in the complex.

McCormick & Company – The international spice manufacturer, currently located in Sparks, will consolidate 900 office employees from several area locations into a 340,000 square foot headquarters at 99 Shawan Road, to be completed in 2018. A former telephone company building on the site will be completely redone, creating a state of the art corporate campus for McCormick. The building will house corporate functions, the company's US consumer and industrial divisions and a health and wellness center. Company officials spent 15 months studying 60 possible sites in three states before selecting the Shawan Road location.

Johnson, Mirmiran & Thompson (JMT) – This nationally ranked architectural and engineering firm, will move its headquarters from Sparks to a new five story 130,000 square foot building on Wight Avenue in Hunt Valley. Companywide, the firm employs 1,200 engineers, architects, planners, technicians and other employees, 600 of which will be located in the new headquarters. Construction has started on the new building at 40 Wight Avenue. JMT expects to move in early 2017.

Sylvan Learning System – has moved its corporate headquarters and 125 employees from downtown Baltimore City to 25,000 square feet at 4 North Park Drive in Hunt Valley.

Firaxis – has expanded into 9,000 square feet of additional space at 12 Loveton Circle in Sparks and employs 170 at this location.

Stegman & Co. – This Towson based company was founded in 1915 and is recognized as the oldest privately held accounting and auditing firm operating in the State of Maryland. Stegman & Company leased 11,000 square feet of space at Cromwell Center in Towson. The company relocated its 45 employee workforce and celebrated their 100th anniversary in the new space.

Savills Studley – This premier global real estate arm of London headquartered Savills plc, opened its newest office at 102 West Pennsylvania Avenue in Towson, expanding its presence in the Mid-Atlantic region. The office's four real estate brokers join Savills' 30,000 professionals in over 60 countries around the world.

Mobtown Fermentation – announced a move into new space in Timonium. The startup, founded in 2014, is moving into a 4,000 square foot space at 9 West Aylesbury Road, formerly occupied by Michele's Granola. Renovations should be complete in 2016. The company will employ 4 at this location.

Gettle – This York, Pa. based company moved its Maryland offices to 144 Lakefront Drive in Hunt Valley and quadrupled its space to 10,000 square feet. The move came as the company's Maryland based employment rolls have grown to 53 employees in its new office, up from 22 when it first located in Maryland. The company's specialties include electrical design and installation, fire and security systems, data communications, automation and engineering design services.

Mitsubishi Heavy Industries America – has begun to assemble 75 foot corrugated box machines at their facility in Hunt Valley which were previously shipped assembled from Japan. Now the motor drives and electronics are installed here and the machines are fully tested before being shipped out to North American customers. The company has added 10 employees and leased additional space in their building to accommodate this business.

Whitney, Bailey, Cox & Magnani LLC, – an engineering and architectural firm, signed a lease for 37,244 square feet at 300 E. Joppa Road in Towson.

U.S. Lacrosse Headquarters – The 450,000 member national lacrosse organization recently occupied its new headquarters in Sparks. This \$15 million project includes a 45,000 square foot headquarters building, an outdoor training facility for the U.S. National men's and women's teams, the national lacrosse museum, the National Lacrosse Hall of Fame and classrooms and offices for 89 staff. The expected economic impact of this project will be over \$6 million.

Kelly & Associates – occupied their 90,000 square foot corporate headquarters building at 1 Kelly Way in Sparks. The company invested \$10.5 million in a renovation of the former FILA headquarters and moved their 500 employees this past fall. The company also purchased an adjoining lot that can support an addition to the building and an expanded parking lot.

Du-Claw Brewing Company – has leased space on Yellow Brick Road in Rosedale for a brewing operation that will supply beer for their popular brew pub chain, produce beer for retail sales through distributors, and provide bottling services for other brewers.

Apex IT Services – This IT solutions provider to federal, state and commercial clients relocated from Columbia, Maryland to leased office space on Lord Baltimore Drive in Woodlawn. Plans include adding 53 jobs.

H&E Equipment – is a rental company for new and used construction equipment. H&E is leasing a new 38,000 square foot facility on Grays Road in Dundalk, MD, and will bring 30 jobs.

Loomis Armored U.S – signed a 50,000 square foot lease at 4979 Mercantile Road in the White Marsh Business Community. Loomis plans to double its work force from 100 to 200 people after it moves from its location near Golden Ring Park in Rosedale.

Lockheed Martin's – Lockheed Martin's contract with the U.S. Navy was renewed for \$235 million to manufacture missile firing systems used on warships at Lockheed's facility in Middle River. The deal extends through 2022 and could be worth as much as \$356 million if the Navy adds optional orders. The flexible missile system can launch a variety of missiles.

Vac Pac – acquired a 46,000 square foot building at 917 Middle River Road, where the company is expecting to relocate 25 employees by the 4th quarter 2016. Vac Pac specializes in cooking bags for ovens and microwaves. Its new Middle River building will include a new test facility, allowing the company to better showcase research and development and expand internationally with annual revenue between \$5 and \$10 million.

Bottling Group, LLC, – signed a lease for 25,400 square feet in a new 60,000 square foot warehouse and distribution facility under construction in the White Marsh Business Park on Days Cove Road. The building completion is yet to be determined. Products such as Pepsi, 7-Up and Gatorade will be moving in and out of the new facility. The building has room to double the warehouse space.

RPM Warehouse – leased the 435,000 square foot Chesapeake Real Estate facility on Tangier Drive in Crossroads @ 95. RPM previously leased 238,000 square feet at the same location.

Aging Barns LLC, – part of Sagamore Development, purchased the parcel at 4611 North Point Blvd to transform it into five aging barns to store up to 80,000 barrels of Sagamore Spirit Rye Whiskey. The first building is scheduled for availability on December 1, 2016.

Greenleigh at Crossroads – developed by St. John Properties and Somerset Construction Company, broke ground in May 2016 on a \$750 million mixed use community of offices, shops, apartments, single-family homes and a hotel. The project will occupy 250 of the 1,000 acre Baltimore Crossroads and is expected to build out over 10 to 15 years. Greenleigh will include 1,000 detached homes and townhouses, three midrise office buildings totaling 300,000 square feet, another 128,000 square feet in single story office buildings, 116,000 square feet of retail and a 120 room Springhill Suites by Marriott hotel.

Carpet Consultants – a provider of residential and commercial flooring products, has signed a lease for approximately 18,000 square feet of space at 11501 Pocomoke Circle in Crossroads @95 business park. The company, which markets a full range of products including carpeting, hardwood, laminate, tile and stone, intends to relocate its entire operation to the new building.

CapRock Grain – an import supplier of organic animal grain, signed a fully executed five year lease at 8907 Bethlehem Blvd. Future plans include a soybean milling and crushing manufacturing operation, resulting in an oil product for export. Current job potential is 10-25, and 200 in five years.

Pro Transport Inc. – has signed a 51,100 square foot lease to expand at 11630 Crossroads Circle in Crossroads @95 business park. The company will lease the entire building, which features 16-foot ceiling heights and drive-in loading capabilities.

Medstar Franklin Square Hospital – opened a new \$7.8 million neonatal intensive care unit. The 16,000 square foot newly constructed facility has 23 beds.

Empire Resources (ER) – In October 2015, purchased the former Worthington Steel building at 8911 Kelso Drive in Essex for \$6.6 million. ER had been operating out of a 122,000 square foot building on Quad Ave in Baltimore County as well as leased space.

American Tire Distributors (ATD) – In October 2015, expanded into a new 138,240 square foot building warehouse and distribution building in the Baltimore Crossroads @95 business community in White Marsh / Middle River. ATD relocated from Hollins Ferry Road. The new Class “A” industrial building features 26 rear loading docks, two drive-in doors, a 125-foot truck court and approximately 11,000 square feet of office space.

C Steinwig – purchased the 230,835 square foot industrial building at 4505 North Point Blvd. in Edgemere, Baltimore County, Maryland 21219.

QRS of Maryland, LLC, – a joint venture between QRS and Canusa-Hershman Recycling Company, has opened a one of a kind recycling facility in Dundalk to separate and recycle post-consumer household plastics. The \$15 million plant, with more than \$10 million in high tech processing equipment, will create 60 full-time jobs at capacity.

Bob’s Overhead Door – In December 2015, purchased a 27,000 square foot building on 100 Eyring Ave in Essex MD for \$1.15 million. They secured a loan with the County for \$250K.

Steel and Wire Products – In December 2015, purchased a 122,000 square foot facility in Rosedale MD at 6901 Quad Avenue for \$4 million. 58 employees from Baltimore City were relocated as a result of the move.

Fraley & Schilling – In November 2015, purchased a 136,000 square foot building at 8911 Bethlehem Blvd, Edgemere, MD 21219, for \$2.7 million.

Hollins Ferry Logistics Center – Completed construction on a 285,000 square foot, class A warehouse and logistics center located at 4803 Hollins Ferry Rd, Halethorpe, MD. This new facility will attract major tenants to the County throughout 2016 and 2017.

Security Square Mall – Seoul Plaza section of the shopping mall will be undergoing a major redevelopment to attract national tenants to revitalize the shopping center.

Social Security Administration (SSA) – Social Security headquarters in Woodlawn announced that they will receive a \$150 million Congressional Appropriation for major renovations of their main administrative building. SSA employs approximately 11,000 at this site and this significant investment ensures that the County remains home to the Social Security Administration for decades to come.

Rolling Run Tech Park – ground breaking took place on April 19, 2016 located at 2270 Rolling Run Rd. They are constructing a 58,000 square foot, Class A office building next to the Center for Medicare and Medicaid Services headquarters. This office building will have an open design, 16-foot ceiling height, energy efficient systems, and is expected to be open by winter 2016.

Merritt Beltway Business Park – A major expansion and renovation is taking place at 1730 Twin Springs Drive, home of the Living Legacy Foundation. This expansion adds a second story to the facility, increasing the size up to 47,000 square feet. It is expected to be completed summer of 2016.

Lifebridge Health – In February 2016, Northwest Hospital System opened a new facility at 8600 Liberty Rd. The 13,500 square foot building houses an ExpressCare urgent care center and offices for primary care doctors and specialists. The building is part of a larger campus expansion at Northwest Hospital that is expected to cost between \$20 million and \$25 million. The Liberty Center project itself cost \$5M.

Industrial Redevelopment

Sparrows Point/Dundalk

The Sparrows Point peninsula was the location of a major integrated steel mill for more than 100 years. In May 2012, the final steel mill operator, RG Steel, declared bankruptcy and announced plans to close the facility and lay off all 2,000 workers. The County has been working aggressively with Sparrows Point Terminal (owner) and State Department of Commerce to define and pursue a new vision for this valuable 3,100 acres of land with deep water, freight rail and interstate access, and to help the dislocated steelworkers acquire the training and support services they need to enable them to move into new careers. Sparrows Point Terminal has estimated 10,000 new jobs over the next 10 years.

The Sparrows Point Partnership, an advisory group of private-sector port, logistics and real estate professionals, was established by the County Executive in 2012 to recommend how best to position Sparrows Point and the surrounding area for long term job growth. In May 2013, the Partnership released its first-year report, which highlighted the area's exceptional assets including a massive land product: 5.3 square miles, with more than 3,300 acres zoned for industrial use, deepwater access near the growing Port of Baltimore, interconnected transportation, including direct connection to two class one railroads and interstate highways, exceptional natural gas and electricity supplies, a large supply of treated water flowing directly to the site and a highly capable, motivated workforce

The report also outlined the County's vision for growth at Sparrows Point, driven by several key principles which include expanding maritime use on the peninsula in partnership with the Maryland Port Administration, retaining the current zoning for industrial use, encouraging private ownership to rebuild the aging infrastructure on the site, managing a long-term strategy that includes active participation and guidance from the County, the State of Maryland and the Port of Baltimore.

Tradepoint Atlantic (TPA), formerly Sparrows Point LLC, recently acquired the 3,100 acre former steel production facility at Sparrows Point. The new owners agreed to \$48 million in assurances to pay for the environmental clean-up. The property will be redeveloped for industrial use. FedEx secured a long term lease and is building a 300,000 square foot distribution center to employ 150 employees. Harley-Davidson is relocating a training center there that is projected to train 800 students per year on the site. Additionally, TPA recently announced its development of a 130 acre mixed use retail park. Also in June

2016, Pasha Automotive Services, a global logistics and transportation company, signed a lease to launch automobile processing operations at TPA.

The County continues to provide support services to dislocated RG workers. Hundreds of workers have received training for new jobs under Federal trade adjustment assistance programs. County and state staffs are working to help those workers find jobs as they complete their training programs.

Essex/Middle River

The U.S. General Services Administration (GSA) auctioned the 1.9 million square foot former GSA Depot facility in Middle River in 2006 for a record \$37.5 million. This higher than expected sale price was evidence of the success of the County's waterfront revitalization efforts over the previous ten years. Now known as Martin's Landing, the complex is strategically located near the waterfront and just minutes from I-95 along MD43, and across the street from Martin State Airport, a general aviation facility that handles a significant level of corporate air travel. The County is working with the owners, a New York based investment team, to encourage a quality redevelopment that will incorporate a mix of business, residential and commercial uses. In the County's 2012 comprehensive rezoning process, the 53 acre property was rezoned from heavy industrial to a classification that allows a mix of uses.

Technology Locations

bwtech@UMBC

The [bwtech@UMBC](#) Research & Technology Park (the "Park") is a 71-acre community engaged in research, entrepreneurship, and economic development. The Park contains eight buildings, including multi and single-tenant buildings and 3 incubators. Over 40 cyber security companies currently reside and do business in the Park. The Park is adjacent to the main UMBC campus with direct access to the innovative research and amenities of a major university.

The Park includes 118 tenants and 1,200 employees, including mature, emerging and incubator companies. bwtech@UMBC operates these distinct business incubators with specific industry orientation. The [bwtech@UMBC](#) companies have access to UMBC campus amenities and enjoy the strategic location only minutes away from BWI Thurgood Marshall Airport, downtown Baltimore, and the federal agencies located in the Washington, D.C. corridor. The location, coupled with the opportunity to collaborate with the talented students and faculty of UMBC's nationally recognized science and engineering programs, makes [bwtech@UMBC](#) an ideal location for technology, bioscience and research organizations at all stages of development.

UMBC intends to invest in a RISE Zone in the Catonsville-Arbutus area of southwestern Baltimore County by doubling or tripling the size of bwtech@UMBC. The expansion would add hundreds of new jobs to the park as well as increase opportunities for local businesses.

UMBC has significant resources and expertise in the areas of economic development and community relations that it expects to apply to these goals. Senior officials in charge of bwtech@UMBC, corporate relations, and community relations will lead planning for the zone. Virtually all the Park's 525,000 square feet are leased and the Park generated nearly \$500 million in income and business sales in 2014. These figures speak to UMBC's economic development ability.

The following list highlights new tenants at bwtech@UMBC Research & Technology Park since July 2015:

Advent Laboratories, LLC – provides analytical analysis, stability testing, research and development, validation, microbial testing, contract laboratories, and retain services.

Allotropic Tech, LLC – a custom protein/enzyme production company.

American Sample Archive, LLC – a company that obtains, verifies identity and quality of biological materials then archives them for future scientific uses such as the development of new sample analysis and identification methodologies.

Anchor Technology and Consultants – a Service Disabled Veteran Owned Small Business (SDVOSB) providing expertise and proven processes to assist Federal agencies in meeting a variety of IT security requirements supporting NIST, FISCAM, FedRAMP, and DIACAP compliance.

Becrypt – provides a range of cyber security solutions to protect data at rest and data in use across a broad range of platforms, including desktops, laptops, tablets and smartphones, running Windows, iOS and Android.

Bestgate Engineering – offers expertise in surveillance, profiling, and data mining by delivering mechanisms to perform unsolicited stimulation of 802.11 stations, directional antenna geolocation algorithms, frame parsing, and analysis tools.

Clear Ridge Defense – defense contractor providing specialized cyber capability and mission support services to the Department of Defense and Intel Community in the Ft. Meade, MD area.

Cyber Delivered – provides national security and corporate clients with the highest levels of expertise in cybersecurity software engineering and analysis through Computer Network Operations (CNO), Advanced Persistent Threat (APT) tradecraft, and APT intrusion tools.

Cyber Pack Ventures – provides technical and managerial consulting services to industry and government in the technical, scientific, procedural, and operational disciplines associated with national security.

DNA4 Technologies, LLC – is developing genomic approaches to the validation and forensic identification of food and food products. Specifically, they have developed methods for the targeted enrichment of specific genomes in mixtures of DNAs.

Efflux Systems – the first scalable cybersecurity hunting platform to simplify and automate traditionally manual analytics, finding hackers inside your network before data is lost.

Ennoblis – a high-tech minority owned corporation providing innovative, transformational, integrated solutions for a variety of industries worldwide.

Fortego – solves cyber security problems by understanding the full life-cycle of cyber warfare from discovering vulnerabilities and writing exploit code to reverse engineering malware to designing strategies to better detect and mitigate future attacks.

Fzata, LLC – a biotech company focusing on developing antibody based therapeutic and preventative medicines, as well as diagnostic products. They focus on several disease areas: gastric infectious diseases, HIV, cancer and neurodegenerative diseases, all having huge markets nationally and internationally.

Gendx Products, Inc. – develops and markets a comprehensive line of In Vitro Diagnostic (IVD) tests and services, analysis software and education. The company is a pioneer in the area of Sequencing Based Typing (SBT) for transplantation.

Glycomantra, Inc. – provides technology expertise in glycobiology research leading to the development of carbohydrate based therapeutics for treatment of advanced prostate cancer.

The Hershey Company – The Hershey Company (NYSE: HSY), headquartered in Hershey, PA, is a global confectionery leader known for bringing goodness to the world through its chocolate, sweets, mints

and other great tasting snacks. Hershey has approximately 13,000 employees around the world who work every day to deliver delicious, quality products.

Huntress Labs – Cyber security protection with focus on incident response, malware analysis, and offensive cyber operations

Jak Tec – provides solutions for planning cloud migration, offering tools to reduce the time it takes to purchase and begin using cloud services.

Leverage – develops software products that enable customers to intelligently manage and visualize large networks of diverse sensors; providing actionable insights and spotting trends that lead to better decision making.

NEXT Phase Solutions – provides a deep, multi-vector cyber threat defense system to protect your network.

OnSystem Logic – secures critical computing resources and information. Specializes in assisting information assurance professionals with hardening their enterprise and proactively protecting critical assets.

Papivax, LLC – developing a therapeutic vaccine to treat HPV associated diseases including cervical cancer.

Prime AE – provides a full range of services in architecture and engineering, construction management and inspection, technology, transportation, and water resources.

Scientific Systems and Software International Corporation – provides advanced solutions that deliver timely, enabling technology and information to civilian, military, state/local, and commercial customers. Most recently, SSSI has provided information security support to the Social Security Administration (SSA) and the Department of Labor (DOL) for both on premise and cloud-based implementations.

ServBeyond Solutions – IT consulting services company with expertise in design, development, and management of a broad range of IT applications, systems and processes.

The Sharps Solutions – provides information security support to Federal agencies at the enterprise and project levels to help meet agency specific security and privacy requirements.

Quality Oriented Solutions – provides software and applications for quality management, software testing, independent verification, and project training.

Que Technology – a scalable IT infrastructure solution provider to help clients develop and implement upgrading legacy systems or installing twenty-first century technology that will grow as your business does.

X8 – designs intelligent industrial sensor systems, as well as the cyber assurance required to protect these systems.

Y Tech – SBA certified 8(a) company that provides innovative and cost effective information technology and consulting services to the federal and state government, private sector, and non-profit organizations.

Enterprise Zones

An enterprise zone is a tool the State of Maryland offers to local jurisdictions for promoting economic development in certain qualifying areas. The County has three Enterprise Zones - the

Chesapeake Zone (formerly known as the North Point Zone), located along the industrial North Point corridor in eastern Baltimore County; the Southwest Zone, located in the Washington Boulevard/Hollins Ferry Road industrial corridor; and the Federal Center at Woodlawn Zone. These three areas contain over 10,000 acres of industrial and office-zoned land, and over 700 businesses. Since the approval of the first zone in December 1995, more than 130 businesses in the North Point and Southwest enterprise zones have committed to investing over \$315 million in real property improvements and \$270 million in machinery and equipment. In addition, approximately 3,700 new jobs have been created. The Halethorpe-Arbutus area in the Southwest Enterprise Zone has seen dramatic growth, with almost 600 new jobs in a four-year period. The Southwest Enterprise Zone was amended and redesignated in June 2013. The North Point Zone expired and was replaced in 2015 by the Chesapeake Zone, a larger area that now includes the entire Sparrows Point peninsula, now known as Tradeport Atlantic. The program offers two primary benefits to businesses in the designated zone that make new investments or hire new employees:

1. *Property Tax Credits.* The local jurisdiction provides an annual property tax credit that is phased out over a ten-year period. For the first five years, the credit is equal to 80% of the increase in property tax resulting from the new investment in real property. In the subsequent five years, the credit decreases 10% annually until it is phased-out entirely in the eleventh year.
2. *Income Tax Credits.* For each new, full-time job created in an enterprise zone, the State grants a \$1,000, one-time State income tax credit to the employer. If a worker who is certified as economically disadvantaged fills the new job, the credit can total as much as \$6,000 over three years.

The local property tax credit is applied only to the increased tax liability resulting from the new investment. Therefore, the County experiences no loss in property tax revenue as a result of the program; it simply foregoes a portion of the increase in property tax revenue that results from the new investment. Additionally, the State of Maryland reimburses the County for 50% of the property tax credits to businesses.

Economic Development Financing Assistance

In FY 2016 the County approved financial assistance to two businesses from the County's High Technology Loan Program. Additionally, during FY 2016 the County approved 15 loans totaling \$1.6 million from the County's Boost loan program. Boost loans are targeted to small, minority, women and veteran owned businesses in the State of Maryland. The Boost Fund provides flexible financing to assist in the acquisition of business assets, working capital, equipment, owner occupied commercial real estate, construction of new facilities and lease hold improvements. In July 2016 the County was awarded an additional \$3 million from the State of Maryland in order to provide Boost loans to businesses located in Maryland.

Relevant Financial Policies

The County's debt and financial management policies as set forth by the County Executive were recognized by all major rating agencies with the continuation of the County's triple-A credit rating. The policies included target ratios to be met and ceiling or floor ratios. The County will take appropriate corrective action to ensure that ratios do not go above or drop below their respective desired ceiling or floor.

The County's long-term policy was to produce unassigned General Fund fund balance equal to 5% of General Fund revenues each year. The volatility in the national economy and potential changes in intergovernmental aid required the County to take the fiscally prudent step of raising its target level for unassigned General Fund balances during this period to 8% of General Fund revenues. Most of the 8%, an amount equal to 5% of the revenue budget will be placed in the County's Revenue Stabilization Account to protect the County from unforeseen emergencies and future economic downturns which result in major

revenue shortfalls. Funds in the account may not be utilized for any other purpose without the specific recommendation of the County Executive and a majority plus one approval of the County Council.

Any unassigned fund balance in excess of the 8% of revenues target level will be retained to provide only short-term tax stabilization. Any excess well above the target level will be eliminated through tax rate reductions or dedicated to one-time items such as pay-as-you-go contributions in order to reduce the level of programmed borrowing for capital expenditures.

Major Initiatives

The following are some selected highlights and budget priorities for FY 2016 that are expected to affect future financial position:

Education – The FY 2016 budget exceeded Maintenance of Effort, with \$1.5 billion education operating budget comprising 47% of the County's net operating budget. Some of the education operating budget highlights included 124 additional teaching positions to support enrollment growth, the opening of Lyons Mill Elementary, an increase in counselors for large schools, instrumental music teachers for new schools and expansion of the English for Speakers of Other Languages (ESOL) program. In addition, the budget included \$13.6 million for the continuation of the Student & Teachers Accessing Tomorrow (STAT) program and \$34.5 million for cost of living salary adjustments.

Working with Baltimore County Public Schools, the County is in the midst of the Schools for Our Future program to modernize schools and address rising enrollment. The total investment in county schools for the decade from 2011 to 2021 will be an unprecedented \$1.3 billion dollars.

The FY 2016 budget included a \$2 million increase above maintenance of effort for the Community College of Baltimore County to prevent a rise in tuition costs. Also included is \$1.35 million to replace the dome roof of the CCBC Catonsville Jack Manley Athletics and Wellness Center, \$3.35 million for Phase II of the CCBC Catonsville Mathematics and Science Hall to include interior renovations related to tiered lecture halls, student laboratories and planetarium, and \$10.3 million for the systemic renovation of the CCBC Essex Health Careers and Technology Building.

Public Safety – The commitment to diversifying the County Police Department continued in FY 2016 with increased funding of more than \$600,000 for the recruitment of qualified police cadets and officers. Also included is \$800,000 to expand Fire Department operations, allowing for the deployment of four additional medic units to reduce emergency response time. To support these additional medic units, plus other initiatives in the Fire Department, the budget included almost \$300,000 for two additional division chiefs. Finally, the budget included a 5.5 percent increase to \$290 per month for the volunteer firefighters in the Length of Service Award Program, and a \$250,000 increase as an incentive for volunteer fire companies to staff their medic units. Requested by the Baltimore County Volunteer Fire Association, the increase for EMS subsidies brought the total incentive to nearly \$2 million.

Community Conservation and Preservation - The Department of Health and Human Services is the largest provider of social safety net activities for the County. Its mission is to promote the well-being of individuals and families through the provision of quality health and social services. Its total budget for FY 2016, which included substantial federal and State funds, is over \$190 million. This included a County contribution of over \$24.4 million towards social safety net programs and activities. Health related services are wide ranging addressing issues related to public health, care to pregnant women and children, care to disabled individuals, substance abuse, and mental health. The delivery of social service functions is equally wide ranging and include services to vulnerable adults, care for abused and neglected children, provision of emergency resources to needy families, and other services aiding families and individuals to transition to self-sufficiency.

AWARDS AND ACKNOWLEDGEMENTS

The GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of

Achievement, a government must publish an easily readable and efficiently organized CAFR. This CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The County has received a Certificate of Achievement for the last 37 consecutive years (fiscal years ended June 30, 1979 – 2015). We believe that our current report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Operations Division. I would like to express my appreciation to them for their dedication to ensuring the financial integrity of the County and in the preparation of this report.

Credit also must be given to the County Executive and the County Council for their support in maintaining the highest standards of professionalism in the management of the County's finances.

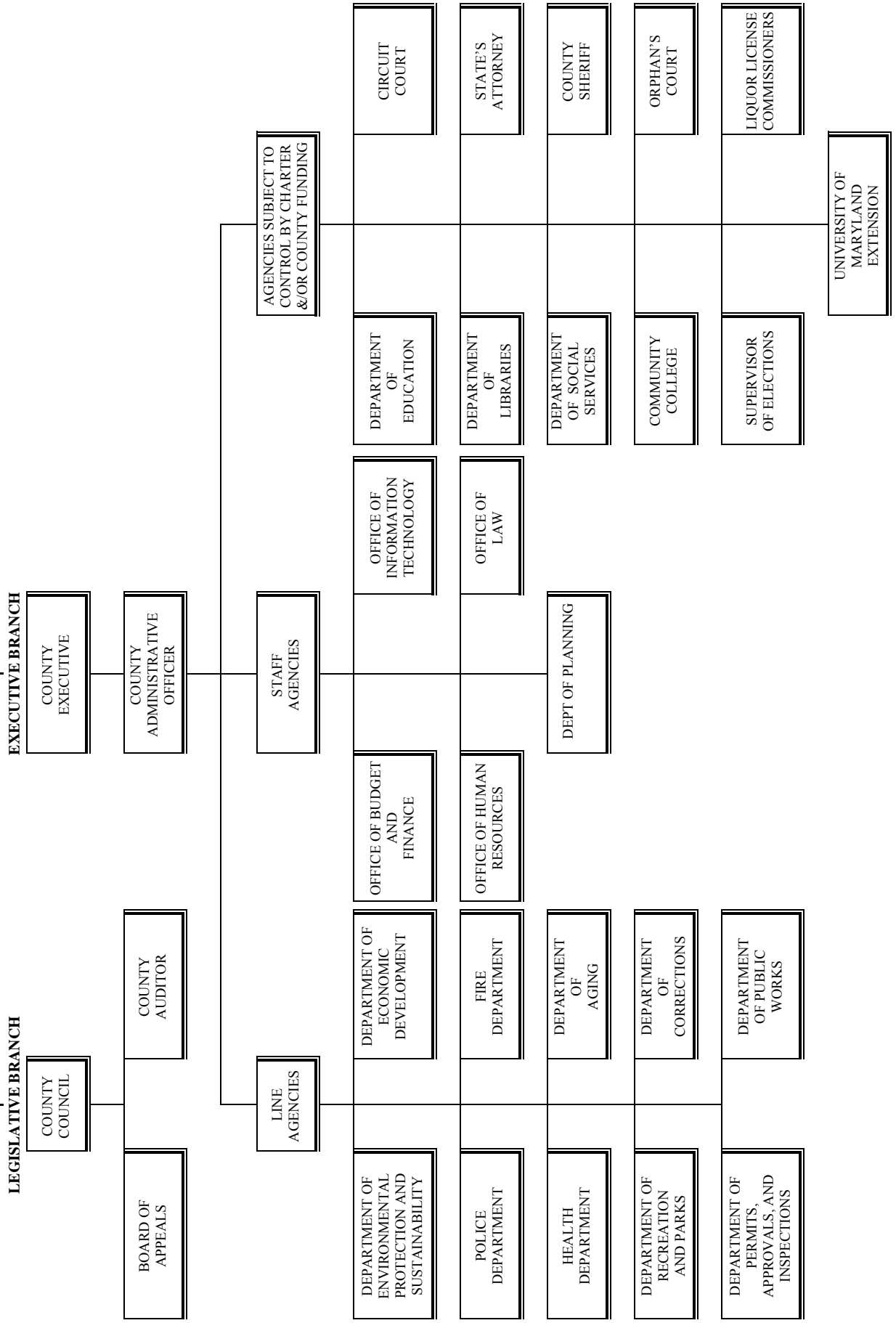
Respectfully submitted,

A handwritten signature in black ink that reads "Keith Dorsey". The signature is written in a cursive, flowing style.

Keith Dorsey, Director
Office of Budget and Finance

VOTERS

**BALTIMORE COUNTY, MARYLAND
COUNTY GOVERNMENT ORGANIZATION**



LIST OF PRINCIPAL OFFICIALS
June 30, 2016

Elective

County Executive
County Council

Kevin Kamenetz
Tom Quirk
Vicki Almond
Wade Kach
Julian E. Jones, Jr.
David Marks
Cathy Bevins
Todd K. Crandell

Administrative

Administrative Officer
Director of Budget and Finance
County Attorney
County Auditor
Director of Public Works
Chief of Police
Fire Chief
Director of Aging
Director of Economic and
Workforce Development
Director of Environmental Protection
and Sustainability
Director of Information Technology
Director of Permits, Approvals
and Inspections
Director of Human Resources
Director of Planning
Director of Recreation and Parks
Superintendent of Schools
Director of Health and Human Services
Director of Libraries
President of Community College
Director of Corrections
Administrative Law Judges

Fred Homan
Keith A. Dorsey
Michael E. Field
Lauren Smelkinson
Steven A. Walsh
James W. Johnson
John J. Hohman
Joanne E. Williams

Will Anderson

Vincent J. Gardina
Robert R. Stradling

Arnold Jablon
George E. Gay
Andrea VanArsdale
Barry F. Williams
S. Dallas Dance, Ph.D
Dr. Gregory Wm. Branch
Paula Miller
Sandra L. Kurtinitis, Ph.D
Deborah J. Richardson
Lawrence M. Stahl
John E. Beverungen



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Baltimore County
Maryland**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL



SECTION

INDEPENDENT AUDITORS' REPORT

The Honorable County Executive and
Members of the County Council
Baltimore County, Maryland
Towson, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Baltimore County, Maryland (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 13 and the schedule of the County's proportionate share of the net pension liability and schedule of county contributions for the Employees' Retirement System, the schedule of changes in the County's net pension liability and related ratios, schedule of County contributions, and schedule of investment returns for the Police, Fire and Widow's Pension Plan and schedule of funding progress and employers' contributions for the OPEB Trust on pages 78 - 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules-supplementary information, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules - supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules - supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Baltimore, Maryland
December 23, 2016

BALTIMORE COUNTY, MARYLAND MANAGEMENT'S DISCUSSION AND ANALYSIS

Baltimore County, Maryland management is providing this narrative overview and analysis of the financial activities of the primary government (the County) as of and for the fiscal year ended June 30, 2016. Readers are to consider the data presented here in conjunction with the information presented in the transmittal letter at the front of this report and with all the County's financial statements and accompanying notes to those financial statements, which follow this section.

Financial Highlights

Government-wide:

- The County's assets and deferred outflows of resources were \$4.701 billion and its liabilities and deferred inflows were \$5.109 billion, resulting in negative net position of \$.408 billion.
- The County's total net position decreased by \$227.524 million.

Fund Level:

- The County's governmental funds have combined fund balances of \$228.22 million.
- The General Fund's fund balance is \$335.372 million of which \$239.528 million is unassigned fund balance inclusive of \$93.107 million in a Revenue Stabilization account.

Long-term Debt:

- The County's total bond and note debt decreased by \$112.747 million during the current year. The key factors in this decrease were the issuance of \$200 million in bonds to retire an equal amount in bond anticipation notes, a \$31.764 million draw on the Maryland Water Quality Revolving Loan Fund and additional net principal of \$3.305 million from bond refundings offset by debt service payments of \$147.816 million.

Overview of the Financial Statements

This discussion and analysis is an introduction to the County's basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Statements (Reporting the County as a Whole)

The *Statement of Net Position* and the *Statement of Activities* are two financial statements that report information about the County's activities that should serve as a useful indicator of whether the County, as a whole, is better or worse off as a result of this year's activities. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The *Statement of Net Position* on page 16 presents all of the County's non-fiduciary assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position measure whether the County's financial position is improving or deteriorating.

The *Statement of Activities* on page 17 presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The focus of the statements is clearly on the primary government and the presentation allows the user to address the relative relationship with the component units. Both statements report three activities, which include the governmental activities and business-type activities of the primary government and separate reporting for the County's component units.

- *Governmental Activities* – Most of the County's basic services are reported under this category. Taxes and intergovernmental revenues generally fund these services. The general government, public safety, public works, health and human services, culture and leisure services, economic and community development, and education functions fall within the governmental activities.
- *Business-type Activities* – The County charges fees to customers to help it cover all or most of the costs of certain services it provides. The Metropolitan District water and sewer services are the only business-type activity reported.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the primary government is financially accountable or for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County reports three component units that are described in the notes to the basic financial statements.

This report includes two summary reconciliations (pages 18 and 20) between the governmental fund financial statements (modified accrual accounting) and the governmental activities (full accrual accounting) reflected on the government-wide financial statements. Note 2 of the notes to the basic financial statements also provides more detail as to the transactions that impact the conversion from the modified accrual basis of accounting to the full accrual basis of accounting.

Fund Financial Statements (Reporting the County's Major Funds)

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the County uses to keep track of specific sources of funding and spending for a particular purpose. The County's funds are divided into three categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

- *Governmental funds* – Most of the County's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The County reports the General Fund, Gifts and Grants Fund, and the Consolidated Public Improvement Construction Fund as major funds.
- *Proprietary funds* – When the County charges customers for the services it provides, whether to outside customers or to other agencies within the County, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. The County reports the Metropolitan District Fund as a major fund. Internal service funds report activities that provide supplies and services to the County's other programs and activities. Internal service funds are primarily reported as governmental activities on the government-wide statements.
- *Fiduciary funds* – The County is the trustee for its employee pension plans and the post employment healthcare benefits plan. These funds are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the County to finance its operations.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 29.

Other Information

Required supplementary information includes schedules concerning the County's pension plans and its post-employment healthcare benefits provided to its employees. These schedules can be found starting on page 78. Other supplementary information includes combining and individual fund financial statements and schedules for the General Fund, Liquor License Fund, Stormwater Management Fund, internal service funds and fiduciary funds. These statements and schedules can be found starting on page 84.

Financial Analysis of the County as a Whole

The County's combined net position decreased \$227.524 million in FY 2016. The net position of the governmental activities decreased \$126.399 million and business-type activities decreased \$101.125 million. The schedule below presents the net position of the County's governmental and business-type activities as of June 30, 2016.

The largest component of the County's net position reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure), less any related outstanding debt used to acquire the assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not liquid or available for future spending or liquidation of any liabilities. It is important to note that counties in the State of Maryland issue debt for the construction of schools, yet the school buildings are owned by each public school system. The County also funds projects for the Community College of Baltimore County. Therefore, the County's financial statements include this outstanding debt, without the addition of the corresponding assets, which is a major reason for the governmental activities negative unrestricted net position. The County has a similar situation where it issues debt to finance capital contributions for Baltimore City owned assets. This is what causes the negative unrestricted net position in the business-type activities. These situations are described in more detail in Note 8.

Net Position as of June 30 (in thousands)

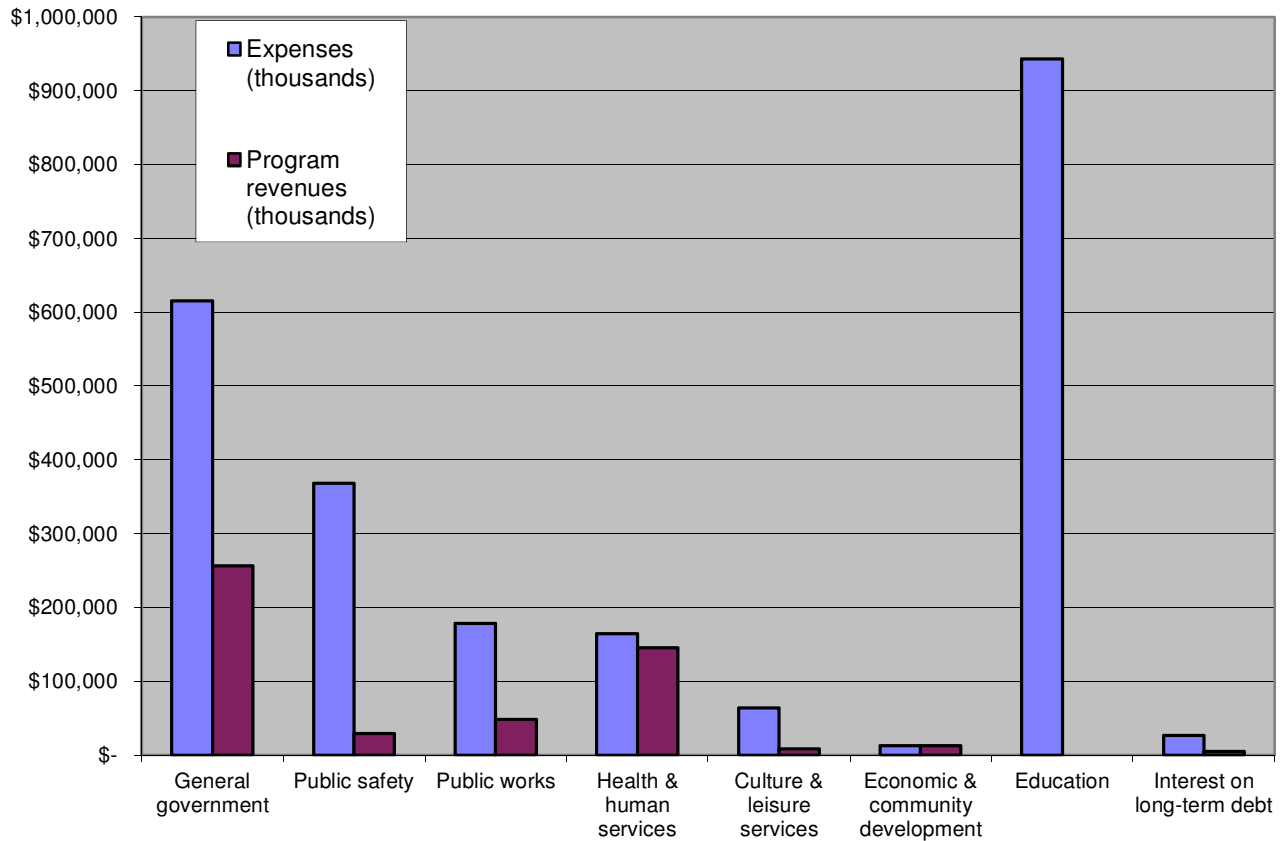
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets:						
Current and other non-current assets	\$ 502,182	\$ 769,923	\$ 123,015	\$ 193,630	\$ 625,197	\$ 963,553
Capital assets	2,461,309	2,406,782	1,298,842	1,259,724	3,760,151	3,666,506
Total assets	<u>2,963,491</u>	<u>3,176,705</u>	<u>1,421,857</u>	<u>1,453,354</u>	<u>4,385,348</u>	<u>4,630,059</u>
Total deferred outflow of resources	<u>286,309</u>	<u>117,294</u>	<u>29,366</u>	<u>21,669</u>	<u>315,675</u>	<u>138,963</u>
Liabilities:						
Current liabilities	410,382	597,819	307,687	315,612	718,069	913,431
Long-term liabilities	3,220,803	2,943,432	1,051,989	966,836	4,272,792	3,910,268
Total liabilities	<u>3,631,185</u>	<u>3,541,251</u>	<u>1,359,676</u>	<u>1,282,448</u>	<u>4,990,861</u>	<u>4,823,699</u>
Total deferred inflow of resources	<u>114,502</u>	<u>122,236</u>	<u>3,479</u>	<u>3,382</u>	<u>117,981</u>	<u>125,618</u>
Net position:						
Net investment in capital assets	1,529,027	1,346,549	614,609	540,690	2,143,636	1,887,239
Restricted	42,647	31,871	-	-	42,647	31,871
Unrestricted (deficit)	(2,067,561)	(1,747,908)	(526,541)	(351,497)	(2,594,102)	(2,099,405)
Total net position	<u>\$ (495,887)</u>	<u>\$ (369,488)</u>	<u>\$ 88,068</u>	<u>\$ 189,193</u>	<u>\$ (407,819)</u>	<u>\$ (180,295)</u>

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the County's net position changed during the fiscal year.

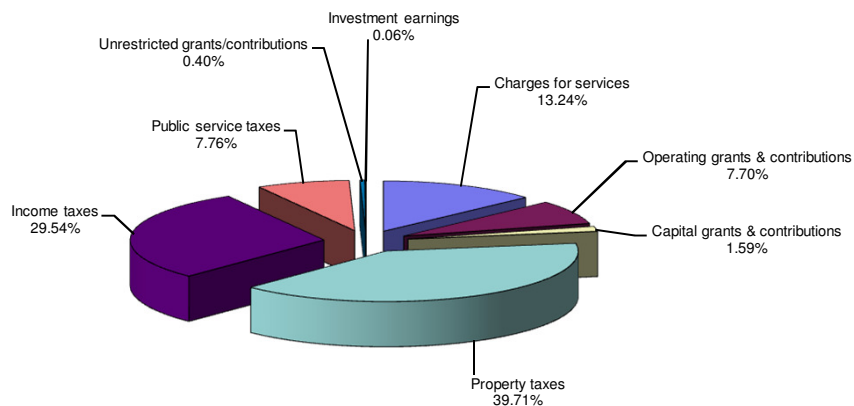
	Changes in Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 297,400	\$ 255,921	\$ 237,071	\$ 202,674	\$ 534,471	\$ 458,595
Operating grants	172,931	171,906	2,893	2,918	175,824	174,824
Capital grants	35,781	48,492	16,186	14,196	51,967	62,688
General revenues						
Property taxes	891,823	866,698	-	-	891,823	866,698
Income taxes	663,510	736,760	-	-	663,510	736,760
Public service taxes	174,239	153,522	-	-	174,239	153,522
Unrestricted grants and contributions	8,966	9,210	-	-	8,966	9,210
Investment earnings	1,392	749	56	98	1,448	847
Special item - interactivity transfer of debt	-	10,213	-	(10,213)	-	-
Total revenues	<u>2,246,042</u>	<u>2,253,471</u>	<u>256,206</u>	<u>209,673</u>	<u>2,502,248</u>	<u>2,463,144</u>
Expenses						
General government	615,205	511,254	-	-	615,205	511,254
Public safety	368,337	346,834	-	-	368,337	346,834
Public works	178,728	177,495	-	-	178,728	177,495
Health and human services	164,430	158,431	-	-	164,430	158,431
Culture and leisure services	64,165	63,742	-	-	64,165	63,742
Economic and community development	12,449	13,838	-	-	12,449	13,838
Education	943,217	888,832	-	-	943,217	888,832
Interest on long-term debt	26,648	25,257	-	-	26,648	25,257
Water and sewer services	-	-	356,593	302,014	356,593	302,014
Total expenses	<u>2,373,179</u>	<u>2,185,683</u>	<u>356,593</u>	<u>302,014</u>	<u>2,729,772</u>	<u>2,487,697</u>
Increase(decrease) in net position before transfers	(127,137)	67,788	(100,387)	(92,341)	(227,524)	(24,553)
Transfers	738	-	(738)	-	-	-
Increase (decrease) in net position	(126,399)	67,788	(101,125)	(92,341)	(227,524)	(24,553)
Net position - beginning	(369,488)	(437,276)	189,193	281,534	(180,295)	(155,742)
Net position - ending	<u>\$ (495,887)</u>	<u>\$ (369,488)</u>	<u>\$ 88,068</u>	<u>\$ 189,193</u>	<u>\$ (407,819)</u>	<u>\$ (180,295)</u>

The following graphs and charts depict the expenses and revenues of the governmental activities and business-type activities for the fiscal year which are derived from the government-wide Statement of Activities.

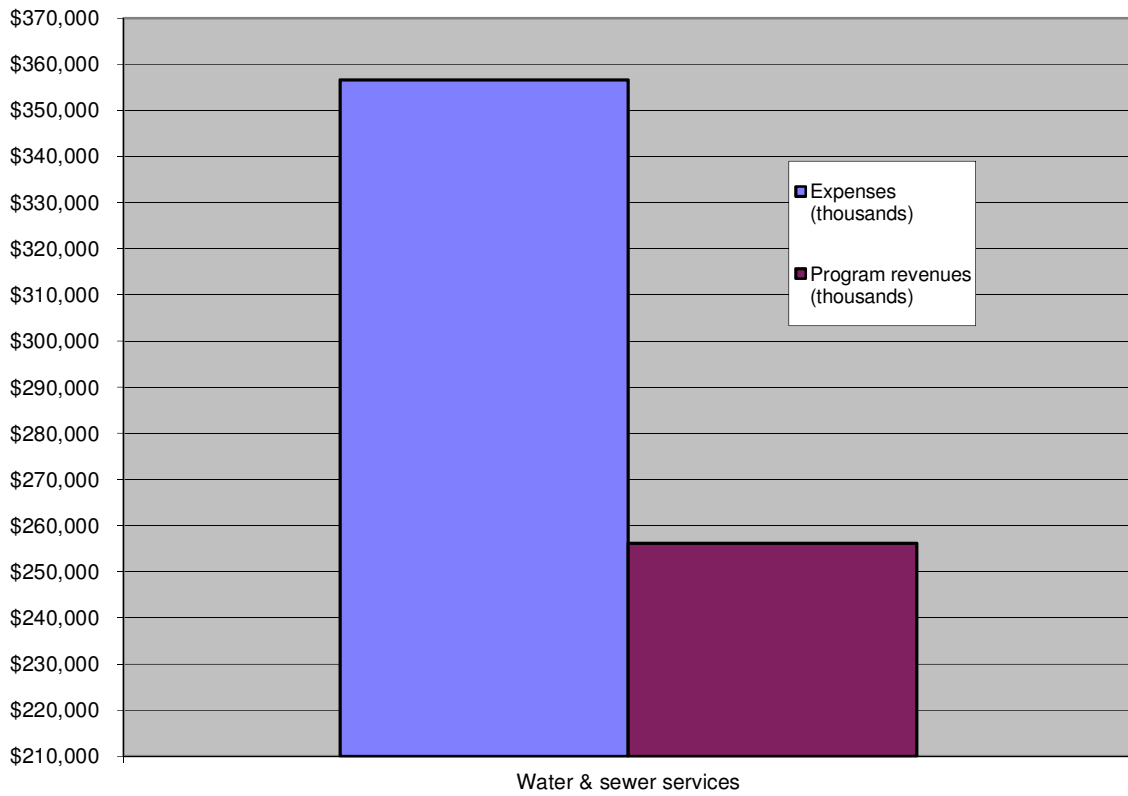
Expenses & Program Revenues-Governmental Activities



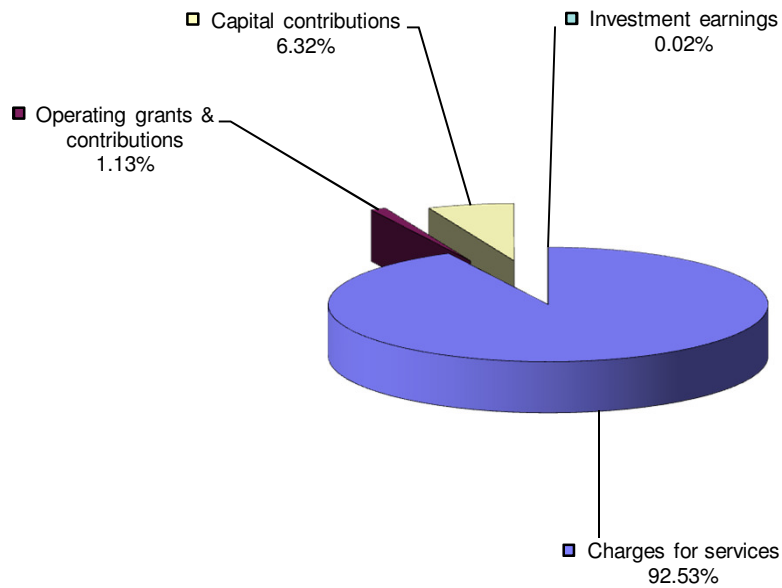
Revenues by Source-Governmental Activities



Expenses and Program Revenues-Business-type Activities



Revenues by Source-Business-type Activities



Governmental Activities

The net position of governmental activities decreased \$126.399 million during FY16. Key elements affecting the net position include:

- General revenues decreased \$27.009 million over the prior fiscal year. Income tax revenue decreased \$73.25 million after adjusting for the County's portion of income tax reserves held by the State that was recognized under full accrual accounting and for recording an estimated \$48.093 million liability for refunds due on prior year income taxes related to the Wynne Case (see Note 8 for detail). Property taxes provided 39.7% of total revenue with an increase of \$25.125 million due from new construction county-wide and from higher reassessed values on real property in the Eastern third of the County. Increased recordation and transfer taxes of \$20.157 million from improving real estate sales accounted for the 13.5% increase in public services taxes.
- Pension expense increased \$51.479 million resulting from the County recognizing its proportionate share of the net pension liability from County employee retirement plans.
- Education expenses increased \$54.385 million from FY15 due to additional funding of operational costs for the Board of Education and increased non-capitalizable expenses of \$39.682 million incurred for component unit assets.
- The outstanding debt for the Board of Education and the Community College capital projects (see previous discussion) increased by \$47.757 million.

Business-type Activities

The net position of business-type activities decreased \$101.125 million during FY16. The key elements of the Metropolitan District operations that affect net position are as follows:

- The consent decree with the U.S. Environmental Protection Agency continues to drive expenditures. In FY16, the County's cost sharing contribution of \$110.442 million to Baltimore City for capital facilities was an increase of \$28.491 million from the previous year. The Enhanced Nutrient Removal at the Back River Wastewater Treatment Plant Project and the Design and Procurement of the City's Automatic Meter Reading Project amounted to a combined \$61.5 million in cost sharing expenditures.
- Front foot assessments that are billed over 40 years to County homeowners to recover costs for County construction of water and sewer lines showed a continuing decline of \$5.867 million due to developers assuming the responsibility for construction of these lines.
- The County's charges for services increased \$34.915 million due to a 15% rate increase in FY16 for sewer service, water distribution and water consumption charges.

Financial Analysis of the County's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The governmental funds provide data on near-term inflows, outflows and balances of spendable resources. This data is useful in assessing the County's financing requirements. The unassigned fund balance serves as a useful measure of the County's financial resources available for appropriation at the end of the fiscal year.

The County's governmental funds reported combined ending fund balances of \$228.22 million as of June 30, 2016, a decrease of \$200.057 million. Unassigned fund balance of the General Fund, as stated below, is available at the County's discretion. The remaining positive fund balance of \$153.377 million is not available for new spending because of varying constraints set on them.

The General Fund is the County's chief operating fund. At the end of FY16, unassigned fund balance of the General Fund was \$239.528 million, while total fund balance was \$335.372 million. Unassigned fund balance represents 12.3% of total budgetary expenditures, while total fund balance represents 17.2% of total budgetary expenditures. These ratios are typically useful as a measure of the General Fund's liquidity.

The County has \$93.107 million in a Revenue Stabilization account and has assigned \$19.124 million to finance, in part, the FY17 operating budget.

The General Fund fund balance decreased by \$70.218 million during the current fiscal year. Board of Education expenditures, including PAYGO contributions for school projects, increased \$42.464 million which reflects the County's continued funding commitment to address rising enrollment and to modernize schools. The General Fund also had increased healthcare contributions of \$26.462 million to maintain a targeted reserve level.

The Gifts and Grants Fund fund balance of \$39.53 million consists primarily of \$17.961 million of earned revenue in excess of grant expenditures restricted for various grant activities administered by the County. Specifically, the Asset Forfeiture, Speed Camera, and Housing Choice Voucher grants amounted to a combined \$13.4 million in excess revenue. In addition, \$10.867 million of earned revenue was restricted for the Affordable Housing Program.

The Consolidated Public Improvement Construction Fund fund balance decreased \$129.359 million. Major fluctuations in fund balance are primarily the result of the timing of cash inflows from bond sale proceeds and capital expenditure outflows. The County issued no new debt to fund capital projects in FY16. Capital expenditures for various County projects increased \$13.28 million to \$131.71 million while payments to component units for their capital facilities increased \$39.585 million to \$132.232 million.

Proprietary Funds

The County's proprietary funds provide more detailed data of the information reported in the government-wide financial statements.

The Metropolitan District Fund net position decreased \$101.311 million. The main factors concerning this decrease have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The County had one supplemental appropriation of \$9.75 million to its Storm Emergencies program for funds needed primarily to cover an estimated \$9.4 million in clean-up costs associated with Winter Storm Jonas, which dropped a record amount of snow in the area.

Significant differences between the final budget and actual amounts are summarized as follows:

- Title transfer and recordation taxes were \$14.628 million more than budget due to an increase in high dollar commercial property transactions and increased sales and higher property values from the slowly recovering real estate market.
- Charges for services revenue exceeded budget by \$10.602 million due mainly from un-budgeted collections of \$7.224 million on EMS Transport Fee billings that started mid-year FY16 and of \$2.308 million for reimbursements by Harford County for waste tonnage disposed at the County's landfill that began in May 2016.
- The positive variance of \$2.21 million in the Building Operations and Management program is due primarily to lower usage due to temperatures and implementation of energy conservation initiatives in County buildings as well as lower utility rates charged by energy suppliers than what were budgeted.
- The County had \$6.84 million in salary savings across the board from the continuation of position vacancy control.
- Favorable variances in Payments to Component Units – Board of Education of \$1.037 million and Debt Service Interest of \$.749 million resulted when the County elected to use a portion of the premiums from bond sales to make debt interest payments instead of using funds originally appropriated in those budget items.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities totaled \$3.76 billion net of accumulated depreciation. The investment in capital assets includes land, buildings, machinery, vehicles and infrastructure assets.

Capital Assets as of June 30, net of accumulated depreciation (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Land	\$ 290,144	\$ 287,829	\$ 1,317	\$ 1,317	\$ 291,461	\$ 289,146
Buildings and improvements	326,914	325,417	109,082	111,567	435,996	436,984
Vehicles and equipment	103,624	118,954	5,237	5,132	108,861	124,086
Infrastructure	1,192,095	1,216,628	952,330	890,384	2,144,425	2,107,012
Construction in progress	548,532	457,954	230,876	251,324	779,408	709,278
Total	<u>\$2,461,309</u>	<u>\$2,406,782</u>	<u>\$1,298,842</u>	<u>\$1,259,724</u>	<u>\$ 3,760,151</u>	<u>\$3,666,506</u>

The County added \$11.1 million for new or improved roads, \$3.8 million for storm drains, and \$54.2 million for water and sewer lines as a major part of its infrastructure assets for FY16.

Selected capital asset events during the current year were as follows:

- The County completed new and existing repairs to sidewalks, curbs and gutters totaling \$14.7 million.
- The County completed repairs and renovations to the Bengies Sewer, Frederick Road, Twin Rivers and Long Forest pumping stations at a cost of \$14.9 million.
- The County completed a new 54 bed homeless shelter for men totaling \$3.4 million.
- The county completed land improvements to Red Run Stream Valley, Fullerton Park Field and the Loch Raven Center for \$2.15 million

Additional capital asset information can be found in Note 7.

Long-term Debt

At the end of the current fiscal year, the County had general obligation debt outstanding of \$2.753 billion. This includes Consolidated Public Improvement bonds and notes of \$1.411 billion, Pension Funding bonds of \$.249 billion and Metropolitan District bonds and notes of \$1.093 billion. The bonds and notes are backed by the full faith and credit of the County.

Outstanding General Obligation Debt as of June 30 (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 1,550,668	\$ 1,523,487	\$1,003,368	\$ 928,611	\$ 2,554,036	\$ 2,452,098
General obligation BANs	99,800	211,900	99,300	187,500	199,100	399,400
Total	<u>\$ 1,650,468</u>	<u>\$ 1,735,387</u>	<u>\$1,102,668</u>	<u>\$1,116,111</u>	<u>\$ 2,753,136</u>	<u>\$ 2,851,498</u>

The County's general obligation debt decreased in 2016 by \$98.362 million (considering new borrowing and debt retirement).

The County maintains an "AAA" rating from both Standard & Poor's and Fitch Investor's Service, and a "Aaa" rating from Moody's Investor's Service for general obligation bonds.

The County Charter limits the amount of general obligation debt that the County may issue for Consolidated Public Improvements to 4% of the County's assessable property base. Metropolitan District debt may be issued up to debt limit of 3.2% of the District's assessable property base. The County's debt is significantly below the respective limits of \$3.193 billion and \$2.267 billion. Additional information on the County's long-term debt can be found in Note 8.

Economic Factors and Next Years Budgets and Rates

- The Spending Affordability Committee's consultant, Sage Policy Group, Inc. predicts that County and State personal income will grow 4.57% and 4.84% respectively, in FY17.
- Employment increased by 1.9% among County residents, by 1.8% among state residents, and 2.1% nationally on an annual average basis from calendar year (CY)14 to CY15. County and State unemployment rates were 4.9% and 4.6%, respectively, in December 2015 and averaged 5.5% and 5.2%, respectively, for all of CY15. For CY16, Sage Policy Group, Inc. predicts that County employment will grow 1.7% compared to population growth of 0.6%, while State employment growth is expected to be 1.7% compared to population growth of 0.8%.

These and other economic indicators were considered when preparing the FY17 General Fund budget, which estimates revenues at \$1.967 billion. General Fund appropriations for FY17 of \$1.986 billion reflect a 1.26% increase from the FY16 adjusted budget. The FY17 budget includes an increase of \$8.7 million for the County's Public Schools with increasing enrollment accounting for \$8.4 million of the higher funding level. The budget reflects the first full year of the County's new emergency medical transport billing initiated with the cooperation of the County's Volunteer Firemen Association. With projected FY17 revenue of \$27.5 million, the County's commitment to the volunteer fire and EMS companies included a 9.2% funding increase over last year. The budget includes \$97.4 million PAYGO contribution to support the FY17 capital budget. Total PAYGO, all funds, is \$127.4 million, an increase of \$4.5 million over last year. The difference between estimated revenue and appropriations of \$19 million is covered by fund balance reserves. The projected unassigned fund balance at the end of FY17 is \$230.3 million or 11.7% of the estimated FY17 total revenues.

The income tax rate of 2.83% is unchanged. The respective real property and personal property tax rates remain at \$1.10 and \$2.75 per \$100 of assessed value. The Homestead Assessment Growth Cap remains at 4%, excluding home sales, new construction, and non-principal residences.

Information Requests

This financial report is designed to provide a general overview of Baltimore County's finances for all those with an interest in good government. The report seeks to demonstrate the County's accountability for the monies it receives and for the services it provides. Requests for information regarding this report or additional financial information can be sent to the Baltimore County Office of Budget and Finance, 400 Washington Avenue, Room 149 Towson, Maryland 21204-4665.

The County's component units issue their own separately audited financial statements. These statements may be obtained by directly contacting the component unit (see Note 1).





Basic Financial Statements

Government-wide financial statements combine all of Baltimore County's governmental and business-type activities, as well as its discretely presented components.

Fund financial statements show the financial position and the operating results by fund.

Notes to the Basic Financial Statements are an integral part of the financial statements.

Baltimore County, Maryland
Statement of Net Position
June 30, 2016
(In Thousands)

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
ASSETS				
Cash and investments (Note 3)	\$ 259,127	\$ -	\$ 259,127	\$ 176,898
Receivables, net (Note 5)	227,185	118,373	345,558	45,208
Due from primary government (Note 6)	-	-	-	34,222
Inventories	8,034	623	8,657	2,725
Prepaid costs	1,135	-	1,135	369
Restricted assets:				
Cash and investments (Note 3)	6,701	4,019	10,720	5,083
Capital assets (Note 7)				
Not being depreciated	838,676	232,193	1,070,869	394,554
Depreciable (net of accumulated depreciation)	1,622,633	1,066,649	2,689,282	1,405,988
Total assets	<u>2,963,491</u>	<u>1,421,857</u>	<u>4,385,348</u>	<u>2,065,047</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	19,887	21,119	41,006	-
Retirement plans	266,422	8,247	274,669	43,792
Total deferred outflows of resources	<u>286,309</u>	<u>29,366</u>	<u>315,675</u>	<u>43,792</u>
LIABILITIES				
Accounts payable	43,808	84,181	127,989	64,298
Accrued payroll	16,197	759	16,956	31,106
Accrued interest payable	24,472	13,999	38,471	-
Internal balances	(50,150)	50,150	-	-
Due to component units (Note 6)	27,374	-	27,374	-
Other liabilities	35,555	4,580	40,135	5,147
Unearned revenue (Note 5)	2,269	-	2,269	7,888
Liabilities payable from restricted assets	-	-	-	5,083
Noncurrent liabilities (Note 8)				
Due within one year	310,857	154,018	464,875	32,508
Due in more than one year	3,220,803	1,051,989	4,272,792	215,756
Total liabilities	<u>3,631,185</u>	<u>1,359,676</u>	<u>4,990,861</u>	<u>361,786</u>
DEFERRED INFLOWS OF RESOURCES				
Retirement plans	<u>114,502</u>	<u>3,479</u>	<u>117,981</u>	<u>9,503</u>
NET POSITION				
Net investment in capital assets	1,529,027	614,609	2,143,636	1,757,892
Restricted for:				
Public works	12,616	-	12,616	-
Economic development	10,867	-	10,867	-
Education	-	-	-	21,708
Grant projects	17,961	-	17,961	-
Debt service	1,203	-	1,203	-
Expendable endowments	-	-	-	5,505
Unrestricted (deficit)	(2,067,561)	(526,541)	(2,594,102)	(47,555)
Total net position (deficit)	<u>\$ (495,887)</u>	<u>\$ 88,068</u>	<u>\$ (407,819)</u>	<u>\$ 1,737,550</u>

The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Statement of Activities
For the Year Ended June 30, 2016
(In Thousands)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT								
Governmental activities:								
General government	\$ 613,812	\$ 253,728	\$ 2,781	\$ -	\$ (357,303)	\$ -	\$ (357,303)	\$ -
Public safety	368,337	11,210	18,316	-	(338,811)	-	(338,811)	-
Public works	178,728	7,257	5,033	35,781	(130,657)	-	(130,657)	-
Health and human services	165,823	20,251	125,413	-	(20,159)	-	(20,159)	-
Culture and leisure services	64,165	3,971	4,303	-	(55,891)	-	(55,891)	-
Economic and community development	12,449	983	11,899	-	433	-	433	-
Education	943,217	-	-	-	(943,217)	-	(943,217)	-
Interest on long-term debt	26,648	-	5,186	-	(21,462)	-	(21,462)	-
Total governmental activities	2,373,179	297,400	172,931	35,781	(1,867,067)	-	(1,867,067)	-
Business-type activities:								
Water and sewer services	356,593	237,071	2,893	16,186	-	(100,443)	(100,443)	-
Total business-type activities	356,593	237,071	2,893	16,186	-	(100,443)	(100,443)	-
Total primary government	\$ 2,729,772	\$ 534,471	\$ 175,824	\$ 51,967	(1,867,067)	(100,443)	(1,967,510)	-
COMPONENT UNITS								
Board of Education	\$ 1,629,883	\$ 13,281	\$ 189,938	\$ 162,251	-	-	-	(1,264,413)
Community College	214,351	70,832	89,447	10,521	-	-	-	(43,551)
Board of Library Trustees	43,005	2,826	6,919	-	-	-	-	(33,260)
Total component units	\$ 1,887,239	\$ 86,939	\$ 286,304	\$ 172,772	-	-	-	(1,341,224)
General revenues:								
Taxes:								
Property taxes					891,823	-	891,823	-
Income taxes					663,510	-	663,510	-
Public service taxes					174,239	-	174,239	-
Grants and contributions not restricted to specific programs:								
Baltimore County					-	-	-	823,040
State of Maryland					8,966	-	8,966	622,288
Unrestricted investment earnings					1,392	56	1,448	(121)
Other					-	-	-	6,263
Transfers					738	(738)	-	-
Total general revenues and transfers					1,740,658	(682)	1,739,986	1,451,470
Change in net position					(126,399)	(101,125)	(227,524)	110,246
Net position (deficit) at beginning of the year					(369,488)	189,193	(180,295)	1,627,304
Net position (deficit) at end of the year					\$ (495,887)	\$ 88,068	\$ (407,819)	\$ 1,737,550

The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Balance Sheet
Governmental Funds
June 30, 2016
(In Thousands)

	General	Gifts and Grants	Consolidated Public Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 157,885	\$ 24,070	\$ -	\$ 5,337	\$ 187,292
Cash and investments - restricted	6,701	-	-	-	6,701
Receivables, net	164,273	56,345	3,158	136	223,912
Due from other funds	146,021	-	-	-	146,021
Inventories	7,489	-	-	-	7,489
Total assets	<u>\$ 482,369</u>	<u>\$ 80,415</u>	<u>\$ 3,158</u>	<u>\$ 5,473</u>	<u>\$ 571,415</u>
LIABILITIES					
Accounts payable	\$ 18,657	\$ 4,160	\$ 17,324	\$ 43	\$ 40,184
Accrued expenditures	15,277	786	-	43	16,106
Due to other funds	-	-	93,379	-	93,379
Due to component units	-	-	27,374	-	27,374
Other liabilities	20,277	846	14,432	-	35,555
Unearned revenue - other (Note 5)	716	1,553	-	-	2,269
Total liabilities	<u>54,927</u>	<u>7,345</u>	<u>152,509</u>	<u>86</u>	<u>214,867</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue (Note 5)	92,070	33,540	2,718	-	128,328
Total deferred inflows of resources	<u>92,070</u>	<u>33,540</u>	<u>2,718</u>	<u>-</u>	<u>128,328</u>
FUND BALANCES (DEFICITS) (NOTE 15)					
Nonspendable	7,489	-	-	-	7,489
Restricted	5,194	28,828	12,616	-	46,638
Assigned	83,161	10,702	-	5,387	99,250
Unassigned	239,528	-	(164,685)	-	74,843
Total fund balances (deficit)	<u>335,372</u>	<u>39,530</u>	<u>(152,069)</u>	<u>5,387</u>	<u>228,220</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 482,369</u>	<u>\$ 80,415</u>	<u>\$ 3,158</u>	<u>\$ 5,473</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,448,608
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows in the funds.	128,328
Internal service funds are used by management to charge the costs of self insurance, fleet management and reproduction to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	24,703
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 2).	(3,477,666)
The net effect of the deferred outflows and deferred inflows of resources recorded in conjunction with the recognition of the County pension liability is shown in the governmental activities but not included in the governmental statements.	151,920
Net position of governmental activities	<u>\$ (495,887)</u>

The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016
(In Thousands)

	General	Gifts and Grants	Consolidated Public Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 1,759,834	\$ -	\$ -	\$ 1,172	\$ 1,761,006
Licenses and permits	5,194	-	-	17,283	22,477
Intergovernmental	46,609	134,433	12,290	-	193,332
Repayment of loans	-	1,759	-	-	1,759
Charges for services	22,404	11,993	550	103	35,050
Assessments	-	-	1,645	-	1,645
Fines and forfeitures	7,099	-	-	-	7,099
Investment income	1,101	531	-	82	1,714
Miscellaneous	33,576	736	8,252	-	42,564
Total revenues	<u>1,875,817</u>	<u>149,452</u>	<u>22,737</u>	<u>18,640</u>	<u>2,066,646</u>
EXPENDITURES					
Current:					
General government	104,375	3,629	-	1,807	109,811
Public safety	345,365	14,446	-	-	359,811
Public works	117,531	254	-	-	117,785
Health and human services	37,752	125,666	-	1,393	164,811
Culture and leisure services	18,361	3,767	-	-	22,128
Economic and community development	1,169	18,804	-	-	19,973
Pension plan contributions	92,550	-	-	-	92,550
Healthcare contributions	126,386	-	-	-	126,386
Miscellaneous	17,852	111	-	-	17,963
Capital projects	-	-	131,710	-	131,710
Payments to component units	869,057	-	132,232	-	1,001,289
Debt service:					
Principal retirement	77,829	-	-	-	77,829
Interest	49,458	-	-	-	49,458
Fiscal charges	1,082	-	-	-	1,082
Total expenditures	<u>1,858,767</u>	<u>166,677</u>	<u>263,942</u>	<u>3,200</u>	<u>2,292,586</u>
Excess (deficiency) of revenues over expenditures	<u>17,050</u>	<u>(17,225)</u>	<u>(241,205)</u>	<u>15,440</u>	<u>(225,940)</u>
OTHER FINANCING SOURCES (USES)					
Bonds issued	-	-	112,000	-	112,000
Bond anticipation notes - refunding	-	-	(112,000)	-	(112,000)
Premiums on debt	25,010	-	-	-	25,010
Transfers in	1,179	16,575	121,789	-	139,543
Transfers out	(113,457)	(306)	(9,943)	(14,964)	(138,670)
Total other financing sources (uses)	<u>(87,268)</u>	<u>16,269</u>	<u>111,846</u>	<u>(14,964)</u>	<u>25,883</u>
Net change in fund balances	<u>(70,218)</u>	<u>(956)</u>	<u>(129,359)</u>	<u>476</u>	<u>(200,057)</u>
Fund balances (deficit) at beginning of the year	<u>405,590</u>	<u>40,486</u>	<u>(22,710)</u>	<u>4,911</u>	<u>428,277</u>
Fund balances (deficit) at end of the year	<u>\$ 335,372</u>	<u>\$ 39,530</u>	<u>\$ (152,069)</u>	<u>\$ 5,387</u>	<u>\$ 228,220</u>

The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2016
(In Thousands)

Net change in fund balances-total governmental funds	\$ (200,057)
--	--------------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period (Note 2).	42,589
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The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position (Note 2).	13,321
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Some revenues will not be collected for several months after the fiscal year ends. As such these revenues are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows increased this year.	8,102
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items (Note 2).	78,127
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (Note 2).	7,633
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The net effect of the expenses for recording the County's pension liability from employee retirement plans.	(37,742)
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Internal service funds are used by management to charge the costs of self insurance, fleet management, and reproduction services to individual funds. The net expense of these internal service funds is reported with governmental activities.	9,721
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The recognition of a long-term liability for disputed taxes that was not reported in the governmental funds decreases net position.	(48,093)
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Change in net position of governmental activities	\$ (126,399)
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The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Budgetary Comparison Statement - General Fund
For the Year Ended June 30, 2016
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 1,746,590	\$ 1,746,590	\$ 1,759,834	\$ 13,244
Licenses and permits	4,842	4,842	5,194	352
Intergovernmental	45,226	45,226	46,609	1,383
Charges for services	11,802	11,802	22,404	10,602
Fines and forfeitures	5,927	5,927	7,099	1,172
Reimbursement from other funds	11,021	11,021	12,115	1,094
Interest on investments	2,762	2,762	1,110	(1,652)
Miscellaneous	33,659	33,659	32,576	(1,083)
Total revenues	1,861,829	1,861,829	1,886,941	25,112
EXPENDITURES				
Current:				
General government	117,964	117,990	113,437	4,553
Public safety	340,287	341,122	340,701	421
Public works	104,871	114,621	113,532	1,089
Health and human services	38,616	38,616	37,936	680
Culture and leisure services	19,162	19,162	18,307	855
Economic and community development	1,196	1,196	1,192	4
Pension plan contributions	92,597	92,598	92,598	-
Healthcare contributions	126,606	126,606	126,447	159
Miscellaneous	18,911	18,606	17,851	755
Payments to component units	863,848	863,848	862,811	1,037
Debt service:				
Principal retirement	77,829	77,829	77,829	-
Interest	41,643	41,086	40,337	749
Fiscal charges	685	685	526	159
Total expenditures	1,844,215	1,853,965	1,843,504	10,461
Excess (deficiency) of revenues over expenditures (budgetary basis)	17,614	7,864	43,437	35,573
OTHER FINANCING SOURCES (USES)				
Transfers in	306	306	306	-
Transfers out	(107,568)	(107,568)	(107,568)	-
Total other financing sources (uses)	(107,262)	(107,262)	(107,262)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ (89,648)	\$ (99,398)	(63,825)	\$ 35,573
Adjustments required under generally accepted accounting principles:				
Net change during year in reserve for encumbrances			(2,314)	
Unbudgeted equipment financing activity			(12,913)	
Unbudgeted bond escrow payment			618	
Net change in reserve for inventories, imprest funds and other programs			5,205	
Prior year encumbrances liquidations			3,011	
Net change in fund balance-GAAP			(70,218)	
Fund balance at beginning of the year			405,590	
Fund balance at end of the year			\$ 335,372	

The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Statement of Net Position
Proprietary Funds
June 30, 2016
(In Thousands)

	Metropolitan District Enterprise Fund	Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ -	\$ 71,835
Cash and investments - restricted	4,019	-
Receivables, net (Note 5)	17,403	3,273
Inventories	623	545
Prepaid costs	-	1,135
Total current assets	<u>22,045</u>	<u>76,788</u>
Noncurrent assets:		
Assessments receivable (Note 5)	100,970	-
Capital assets:		
Non-depreciable	232,193	705
Depreciable (net of accumulated depreciation)	1,066,649	11,996
Total noncurrent assets	<u>1,399,812</u>	<u>12,701</u>
Total assets	<u>1,421,857</u>	<u>89,489</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	21,119	-
Retirement plans	8,247	-
Total deferred outflows of resources	<u>29,366</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	84,181	3,624
Accrued payroll	759	91
Accrued interest payable	13,999	-
Due to other funds	52,642	-
Compensated absences (Note 8)	1,659	282
Claims and judgments (Note 8)	-	33,533
General obligation debt (Note 8)	151,476	-
Pension funding bonds (Note 8)	258	-
Certificates of participation (Note 8)	625	-
Other liabilities	4,580	-
Total current liabilities	<u>310,179</u>	<u>37,530</u>
Noncurrent liabilities (Note 8):		
Compensated absences	87	-
Claims and judgments	-	24,764
General obligation debt	1,002,717	-
Pension funding bonds	9,699	-
Net pension liability	36,236	-
Certificates of participation	3,250	-
Total noncurrent liabilities	<u>1,051,989</u>	<u>24,764</u>
Total liabilities	<u>1,362,168</u>	<u>62,294</u>
DEFERRED INFLOWS OF RESOURCES		
Retirement plans	3,479	-
Total deferred inflows of resources	<u>3,479</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	614,609	12,701
Unrestricted (deficit)	(529,033)	14,494
Total net position	<u>85,576</u>	<u>\$ 27,195</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	2,492	
Net position of business-type activities	<u>\$ 88,068</u>	

The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016
(In Thousands)

	Metropolitan District Enterprise Fund	Total	Internal Service Funds
OPERATING REVENUES			
Licenses and permits	\$ 1,092	\$ 1,092	\$ -
Charges for services	229,745	229,745	321,503
Assessments	6,218	6,218	-
Intergovernmental	2,893	2,893	-
Miscellaneous	16	16	175
Total operating revenues	<u>239,964</u>	<u>239,964</u>	<u>321,678</u>
OPERATING EXPENSES			
Personal services	22,140	22,140	2,982
Business and travel	117	117	-
Contractual services	94,579	94,579	774
Rents and utilities	3,990	3,990	257
Supplies and maintenance	60,916	60,916	13,301
Insurance claims and expenses	-	-	290,845
Equipment	211	211	-
Fringe benefits and overhead	17,610	17,610	-
Depreciation expense	29,572	29,572	2,915
Other	287	287	771
Total operating expenses	<u>229,422</u>	<u>229,422</u>	<u>311,845</u>
Operating income (loss)	<u>10,542</u>	<u>10,542</u>	<u>9,833</u>
NONOPERATING REVENUES (EXPENSES)			
Interest on investments	56	56	209
Interest expense	(16,915)	(16,915)	-
Capital contributions to other subdivisions	(110,442)	(110,442)	-
Total nonoperating revenues (expenses)	<u>(127,301)</u>	<u>(127,301)</u>	<u>209</u>
Income/(loss) before transfers and capital contributions	(116,759)	(116,759)	10,042
Capital contributions from external parties	16,186	16,186	-
Transfers out	(738)	(738)	(135)
Change in net position	<u>(101,311)</u>	<u>(101,311)</u>	<u>9,907</u>
Net position at beginning of the year	186,887		17,288
Net position at end of the year	<u>\$ 85,576</u>		<u>\$ 27,195</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		186	
Change in net position of business-type activities		<u>\$ (101,125)</u>	

The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016
(In Thousands)

	Metropolitan District Enterprise Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from external customers	\$ 246,189	\$ 211,616
Receipts for interfund services	-	108,132
Payments to suppliers	(151,974)	(14,734)
Payments to employees	(38,337)	(2,950)
Payment for interfund services used	-	(771)
Claims paid	-	(286,196)
Other receipts	-	175
Net cash provided by (used for) operating activities	<u>55,878</u>	<u>15,272</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	(738)	(135)
Capital contributions paid to other subdivisions	(97,259)	-
Advances from Other Funds	52,642	-
Net cash provided by (used for) noncapital financing activities	<u>(45,355)</u>	<u>(135)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt	137,624	-
Retirement of bond anticipation notes	(88,000)	-
Capital contributions from external parties	10,224	-
Acquisition and construction of capital assets	(48,419)	(1,738)
Principal paid on capital debt	(49,137)	-
Interest paid on capital debt	(38,039)	-
Sales of capital assets	-	206
Net cash used for capital and related financing activities	<u>(75,747)</u>	<u>(1,532)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	56	209
Net cash provided by investing activities	<u>56</u>	<u>209</u>
Net increase (decrease) in cash and cash equivalents	(65,168)	13,814
Cash and cash equivalents at beginning of the year	69,187	58,021
Cash and cash equivalents at end of the year	<u>\$ 4,019</u>	<u>\$ 71,835</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 10,542	\$ 9,833
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	29,572	2,915
Effect of changes in operating accounts		
Receivables, net	5,709	(1,755)
Inventories	-	49
Deferred outflows	(5,295)	-
Accounts and other payables	8,525	828
Accrued expenses	6,825	32
Claims and judgements	-	3,370
Net cash provided by (used for) operating activities	<u>\$ 55,878</u>	<u>\$ 15,272</u>
NONCASH CAPITAL AND NONCAPITAL FINANCING ACTIVITIES		
Capital assets acquired through contributions from developers.	\$ 5,698	\$ -

During the year the County issued bonds to refund outstanding Metropolitan District Bonds. The \$66,366 in net proceeds were deposited in an irrevocable trust for the defeasance of \$62,400 of outstanding bond principal.

The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Statement of Net Position
Fiduciary Funds
June 30, 2016
(In Thousands)

	Benefits Trust Funds
ASSETS	
Cash and cash equivalents (Note 3)	\$ 44,497
Collateral for loaned securities (Note 3)	29,052
Receivables:	
Accrued interest & dividend income	2,490
Receivable for investments sold	19,273
Receivables other	3,165
Total receivables	<u>24,928</u>
Investments, at fair value (Note 3):	
U.S. Government and Agency securities	132,052
Municipal bonds	14,113
Foreign bonds	22,614
Corporate bonds	89,857
Stocks	533,105
Bond mutual funds	432,048
Stock mutual funds	784,286
Real estate equity funds	152,416
Hedge funds	1,817
Private equity funds	127,935
Global asset allocation	426,823
Total investments	<u>2,717,066</u>
Total assets	<u>2,815,543</u>
LIABILITIES	
Securities lending payable	29,052
Investments purchased	23,113
Investment expenses payable	2,835
Refunds payable	1,856
Other	5,422
Total liabilities	<u>62,278</u>
NET POSITION	
Net position restricted for benefits	<u><u>\$ 2,753,265</u></u>

The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2016
(In Thousands)

	Benefits Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 192,712
Employees	75,586
Other	18,519
Total contributions	<u>286,817</u>
Investment earnings:	
Net decrease in the fair value of plan assets	(67,837)
Interest and dividends	55,145
Investment expenses	(18,971)
Net investment gain (loss)	<u>(31,663)</u>
Net income from securities lending:	
Securities lending income	193
Borrower rebates	241
Agent fees	(115)
Net income from securities lending	<u>319</u>
Total net investment gain (loss)	<u>(31,344)</u>
Total additions	<u>255,473</u>
DEDUCTIONS	
Benefits	403,058
Refunds	4,143
Administrative expense	1,647
Total deductions	<u>408,848</u>
Change in net position	(153,375)
Net position at beginning of the year	2,906,640
Net position at end of the year	<u><u>\$ 2,753,265</u></u>

The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Statement of Net Position
Component Units
June 30, 2016
(In Thousands)

	Board of Education	Community College	Board of Library Trustees	Total
ASSETS				
Cash and investments (Note 3)	\$ 142,297	\$ 26,229	\$ 8,372	\$ 176,898
Receivables	36,560	8,473	175	45,208
Due from primary government	33,302	920	-	34,222
Inventories	1,473	1,128	124	2,725
Prepaid costs and other assets	243	119	7	369
Cash restricted for lease purchase	5,083	-	-	5,083
Capital assets (Note 7)				
Non-depreciable	386,470	8,084	-	394,554
Depreciable (net of accumulated depreciation)	1,223,906	172,460	9,622	1,405,988
Total assets	<u>1,829,334</u>	<u>217,413</u>	<u>18,300</u>	<u>2,065,047</u>
DEFERRED OUTFLOWS OF RESOURCES				
Retirement plans	<u>41,149</u>	<u>1,905</u>	<u>738</u>	<u>43,792</u>
LIABILITIES				
Accounts payable	55,637	6,269	2,392	64,298
Accrued payroll	24,008	5,679	1,419	31,106
Other liabilities	3,390	1,757	-	5,147
Unearned revenue	2,773	5,089	26	7,888
Liabilities payable from restricted assets	5,083	-	-	5,083
Noncurrent liabilities (Note 8)				
Due within one year	27,278	4,168	1,062	32,508
Due in more than one year	199,259	12,016	4,481	215,756
Total liabilities	<u>317,428</u>	<u>34,978</u>	<u>9,380</u>	<u>361,786</u>
DEFERRED INFLOWS OF RESOURCES				
Retirement plans	<u>8,854</u>	<u>476</u>	<u>173</u>	<u>9,503</u>
NET POSITION				
Net investment in capital assets	1,567,726	180,544	9,622	1,757,892
Restricted for:				
Education	15,570	6,138	-	21,708
Expendable endowments	-	4,930	575	5,505
Unrestricted	(39,095)	(7,748)	(712)	(47,555)
Total net position	<u>\$ 1,544,201</u>	<u>\$ 183,864</u>	<u>\$ 9,485</u>	<u>\$ 1,737,550</u>

The accompanying notes are an integral part of these financial statements.

Baltimore County, Maryland
Statement of Activities
Component Units
For the Year Ended June 30, 2016
(In Thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Board of Education	Community College	Board of Library Trustees	Total
BOARD OF EDUCATION							
Public education	\$ 1,425,817	\$ 403	\$ 153,198	\$ (1,110,510)	\$ -	\$ -	\$ (1,110,510)
Facilities operations	157,271	-	1,343	(155,383)	-	-	(155,383)
Food service	46,795	12,878	35,397	1,480	-	-	1,480
Total Board of Education	1,629,883	13,281	189,938	(1,264,413)	-	-	(1,264,413)
COMMUNITY COLLEGE							
Educational and general expenses	179,900	64,169	89,447	-	(26,284)	-	(26,284)
Facilities operations	26,115	-	10,521	-	(15,594)	-	(15,594)
Auxiliary enterprises	8,336	6,663	-	-	(1,673)	-	(1,673)
Total Community College	214,351	70,832	10,521	-	(43,551)	-	(43,551)
BOARD OF LIBRARY TRUSTEES							
Culture and leisure services	43,005	2,826	6,919	-	-	(33,260)	(33,260)
Total component units	\$ 1,887,239	\$ 86,939	\$ 286,304	\$ (1,264,413)	\$ (43,551)	\$ (33,260)	\$ (1,341,224)
General Revenues:							
Baltimore County				748,849	41,428	32,763	823,040
State of Maryland				622,288	-	-	622,288
Unrestricted investment earnings				-	(121)	-	(121)
Other				6,263	-	-	6,263
Total general revenues				1,377,400	41,307	32,763	1,451,470
Change in net position				112,987	(2,244)	(497)	110,246
Net position at beginning of the year				1,431,214	186,108	9,982	1,627,304
Net position at end of the year				\$ 1,544,201	\$ 183,864	\$ 9,485	\$ 1,737,550

The accompanying notes are an integral part of these financial statements.

BALTIMORE COUNTY, MARYLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting and reporting policies of the County conform in all material respects to generally accepted accounting principles as applicable to governmental entities in the United States (GAAP). The following is a summary of significant policies.

Financial Reporting Entity

Baltimore County, Maryland (the "County") is a corporate polity, performing all local governmental functions within its jurisdiction. Under home rule charter since 1957, the County is governed by an elected County Executive and a seven-member County Council, with each serving executive and legislative functions, respectively.

In accordance with GAAP, the accompanying financial statements include the various departments and agencies governed by the County Executive and County Council (the primary government) and the County's component units. Discretely presented component units are reported separately from the primary government to emphasize that they are legally separate from the County. The component units are included as part of the County's reporting entity because of the significance of their operational or financial relationships with the County. The component units are fiscally dependent on the County because the County approves budget requests providing a significant amount of funding for each of these units, levies taxes to provide the majority of their fiscal support, and issues debt for construction of their capital facilities.

Discretely Presented Component Units

The discretely presented component units are all governed by individual boards. The Board of Education of Baltimore County and the Board of Trustees of the Community College of Baltimore County are appointed by the Governor of Maryland. The Board of Library Trustees is appointed by the County Executive. A brief description of the component units follows.

1. The Board of Education of Baltimore County operates all public schools (grades K through 12) within the County.
2. The Board of Library Trustees operates all public libraries within the County.
3. The Board of Trustees of the Community College of Baltimore County operates a two-year college program at three campuses: Catonsville, Dundalk and Essex.

Annual financial reports can be obtained from the respective administrative offices listed below:

Baltimore County Public Schools
Department of Fiscal Services
6901 N. Charles St.
Towson, Maryland 21204

Community College of Baltimore County
Office of Finance
7200 Sollers Point Road
Baltimore, Maryland 21222

Board of Library Trustees
320 York Road
Towson, Maryland 21204

Related Organizations

The County Executive is also responsible for appointing the members of numerous boards, but the County's accountability for these organizations does not extend beyond making appointments. These boards include:

Adult Public Guardianship Review Board
Advisory Arbitration Panel
Animal Hearing Board
Board of Architectural Review
Board of Liquor License Commissioners

Advisory Commission on Environmental Quality
Agricultural Land Preservation Advisory Board
Board of Appeals
Board of Health
Board of Recreation and Parks

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Board of Social Services	Child Protection Panel
Commission for Women	Commission on Aging
Commission on Arts and Sciences	Commission on Disabilities
Commission on Veterans' Affairs	Conference and Tourism Advisory Council
Criminal Justice Coordinating Council	Design Review Panel
Drug and Alcohol Abuse Advisory Council	Electrical Administrative Board
Ethics Commission	Ethnic Diversity Advisory Council
Human Relations Commission	Landmarks Preservation Commission
Library Board of Trustees	Local Management Board
Mental Health Advisory Council	Minority and Women Business
Pedestrian and Bicycle Advisory Committee	Enterprise Commission
Personnel and Salary Advisory Board	Planning Board
Plumbing Board	Professional Services Selection Committee
Revenue Authority	Soil Conservation District Board
Workforce Development Council	

The amounts that the County appropriated to these organizations during the fiscal year ended June 30, 2016 were immaterial to the basic financial statements taken as a whole.

Government-Wide and Fund Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferrals and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Government-Wide Financial Statements

The statement of net position and statement of activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Interfund activity within the governmental activities and within the business-type activities have been eliminated from these statements.

The **Statement of Net Position** presents the reporting entity's non-fiduciary assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position which does not meet the definition of the two preceding categories. Unrestricted net position often is assigned to indicate that management does not consider it to be available for general operations. Unrestricted net position often has constraints on resources which are imposed by management, but can be removed or modified.

The **Statement of Activities** demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function.

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Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are reported as general revenue.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds, major individual proprietary funds and three combined nonmajor governmental (Liquor License, Owings Mills Tax District and Stormwater Management) funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The General Fund is the County's general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

The Gifts and Grants Fund accounts for a number of gifts and grants awarded to the County that are not accounted for in another fund.

The Consolidated Public Improvement Construction Fund accounts for the acquisition or construction and related financing sources for capital facilities of the primary government and for capital contributions made to the County's component units for their capital facilities.

The County reports the following major enterprise fund:

The Metropolitan District Fund accounts for the operation of the Metropolitan District, which provides water supply and sewerage systems to County residents within the District.

The County also reports the following fund types:

Internal Service Funds account for the operation of a motor pool of passenger vehicles and light duty trucks, a printing facility and a self-insurance program for workers' compensation; general and auto liability insurance; and employee health insurance.

Benefits Trust Funds, which include the following:

Pension Trust Funds account for the accumulation of assets to be used for pension benefit payments to qualified employees.

Other Post Employment Benefits Trust Fund accounts for the accumulation of assets to be used for healthcare and life insurance benefit payments to qualified employees.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The governmental funds financial statements are reported using the modified accrual basis of accounting. The measurement focus of these funds is the determination of financial position and changes in financial position ("current financial resources" focus). Under the modified accrual basis of accounting, revenues are recorded when

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they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon thereafter to pay liabilities of the current period. The County considers sales and income taxes, interest income and various intergovernmental revenues available if they are collected within 60 days after year-end. Property tax revenue is recognized on receipts within 30 days of year-end. Revenue related to expenditure driven grants is recognized when the applicable eligibility requirements have been met and to the extent that cash is expected to be received within one year of year-end. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Expenditures, other than principal and interest on long-term debt and compensated absences as described below, are recorded when the liability is incurred. Principal and interest on general long-term debt are recorded in the governmental funds as liabilities when due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of Enterprise and Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses

The pension trust funds and the other postemployment benefit trust fund use the accrual basis of accounting. Member contributions are recognized in the period when due. Employer contributions are recognized when due and a formal contribution commitment has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. These transactions are not finalized until settlement date, which occurs approximately three business days after the trade date.

The County reports unearned revenue in the government-wide, governmental funds and proprietary fund financial statements when cash is received prior to being earned. Deferred inflows are recognized in the governmental fund statements when revenue is unavailable.

Budgetary Data

As required by Article VII of the Baltimore County Charter, the annual operating budget and the capital budget are prepared by the County Executive and submitted to the County Council for adoption. Such budgets are generally prepared on the modified accrual basis of accounting described above and reflect encumbrance accounting. Prior to adoption of the budgets, the County Council may decrease or delete any item with the exception of those required by the general laws of the State of Maryland, provisions for debt service on outstanding obligations and provisions to eliminate any estimated cash deficits. Requests for supplementary and emergency appropriations may be prepared during the year by the County Executive and adopted by the County Council. There were \$9.750 million in supplementary and emergency appropriations adopted for the General Fund operating budget during fiscal year 2016.

Annual budgets are adopted for the General Fund and the nonmajor Special Revenue Funds - Liquor License Fund and the Stormwater Management Fund. The nonmajor Special Revenue Fund – Owings Mills Tax District Fund has no adopted budget. All other governmental funds have an adopted project-length budget. The operating budget reflects appropriations for the General Fund and the Special Revenue Funds on a function/agency/program basis. Expenditures and encumbrances of such funds may not legally exceed appropriations at the program level. Inter-program transfers of no more than ten percent of appropriations may be authorized by the County Administrative Officer. Inter-program transfers in excess of ten percent of appropriations require the approval of the County Executive and the County Council. Inter-agency transfers between County offices, departments or agencies may be made during the last quarter of the fiscal year only on the recommendation of the County Executive with the approval of the County Council. All unencumbered appropriations of annual budgets lapse at the end of the fiscal year.

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The County presents its General Fund budgetary comparison statement as part of the basic financial statements. Unbudgeted equipment financing activity in the General Fund comparison consists of \$0.014 million of interest income decreased by \$12.927 million of equipment purchases. The unspent equipment financing proceeds of \$3.991 million are reported as a restriction of fund balance at fiscal year-end.

The capital budget reflects appropriations for the Consolidated Public Improvement Construction Fund at the individual project level. Expenditures and encumbrances may not legally exceed appropriations at that level and unencumbered appropriations lapse at the completion or abandonment of individual projects. Transfers of appropriations between projects must be approved by the County Executive and the County Council.

Pooled Cash, Cash Equivalents and Investment Income

The County maintains a cash and investment income pool for all funds except for the fiduciary funds. Based on the availability of cash in various funds, marketable securities are purchased and income on investments is credited to the General, Metropolitan District, and Self-Insurance Program Funds.

For purposes of the statements of cash flows, the County defines cash equivalents to include the following: all highly liquid, unrestricted investments with a maturity of three months or less when purchased; all cash and investment pools that are used essentially as demand accounts; all cash with fiscal agents; and all restricted cash and investments that have been determined to be cash equivalents.

Debt Retirement

General obligation long-term debt retirements are paid from the General and Metropolitan District Funds. The Metropolitan District Fund includes \$83.8 million of receivables for future billings of assessments for water and sewer lateral pipe abutting properties within the District. These assessments, which are levied on individual properties for a period of forty years from the date of installation, represent a significant cash stream that is designated to retire the Metropolitan District long-term debt.

Investments

Money market investments and participating interest-earning investment contracts are carried at amortized cost, which approximates fair value. Other investment securities are carried at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at the prevailing exchange rates as of June 30, 2016. The fair value of mutual funds is based on the fair values of the underlying securities. The fair value of real estate equity funds is based on independent appraisals. Private equity funds and hedge funds are valued based on information provided by the respective fund managers.

Inventories

Inventories are valued at cost. They are accounted for using the purchases method in the General Fund. Under the purchases method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets. Non-spendable fund balance for the amount of General Fund inventories has been reported in the governmental fund statements to reflect the non-availability of those amounts for appropriation or expenditure.

Capital Assets

Capital assets of governmental funds are recorded in the statement of net position at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. The County's capitalization levels are \$5,000 for individual vehicles, machinery and equipment, and \$25,000 for buildings and infrastructure. The costs of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life are not capitalized. An allowance for depreciation has been provided using the straight-line method over the estimated useful life. The estimated useful

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lives range from two to fifteen years for vehicles, machinery and equipment, twenty to fifty years for buildings, and twenty to seventy-five years for infrastructure. Major outlays for the construction of buildings and infrastructure are capitalized as constructed. Interest is capitalized during the construction of business-type activities capital assets as it is incurred.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until the future period. At June 30, 2016, the County had deferred outflows of resources for deferred charges on bond refundings and for changes in activity, experience, assumptions and contributions related to the County Employees Retirement System.

A deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2016, the County had deferred inflows of resources related to the difference between actual and expected experience and the difference between projected and actual earnings on investments of the County pension plans

Outstanding Claims

The outstanding claims liability includes estimates for all known workers' compensation, personal injury, property damage and health claims and an estimate for claims incurred but not reported at June 30, 2016.

Compensated Absences

County employees are granted vacation, personal, and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and personal leave days up to a certain maximum depending on employment classification. Employees are not reimbursed for accumulated sick leave. Payments made to terminated employees for accumulated leave are charged as expenditures/expenses, primarily in the General Fund, Special Revenue Funds, and Proprietary Funds, when paid. Accumulated vacation, personal leave and compensatory time benefits at year-end are recorded as obligations in the statement of net position and proprietary fund statements.

Restricted Net Position

The government-wide statement of net position reports \$42.647 million of restricted net position, of which \$12.616 million is restricted by enabling legislation.

Governmental Funds' Fund Balance

Fund balance classifications comprise a hierarchy based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance amounts are properly reported within one of the fund balance categories listed below:

Non-spendable – Includes fund balance amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact, such as a permanent fund. Not in spendable form includes items that are not expected to be converted to cash, such as inventories and prepaid items.

Restricted – Includes amounts that are restricted to a specific purpose when constraints are placed on the use of resources by constitution, external resource providers, or through enabling legislation.

Committed – Includes fund balance amounts that can be used only for the specific purposes determined by formal action of the County's highest level of decision-making authority. The County Council is the highest level of decision-making authority for the County that can commit fund balance by adoption of a

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Council bill prior to fiscal year end. Similar action of the County Council is required to modify or rescind such commitments.

Assigned – Includes fund balance amounts that are intended to be used by the County for specific purposes as determined by the County Executive or County Administrative Officer in accordance with County Charter. Additionally, in accordance with Section 715 of the County Charter on certification of funds availability, the Director of Budget & Finance may assign fund balance for contractual commitments encumbered prior to year-end. Constraints imposed on the use of assigned amounts do not rise to the level required to be classified as either restricted or committed.

Unassigned – Represents the residual classification for the County's funds and includes all spendable amounts not contained in the four classifications described above. Unassigned fund balance can only be used in the General fund or, if negative, in other governmental funds.

Order of Fund Balance Spending Policy

The County has established a fund balance spending policy for those instances where an expenditure is incurred for a purpose for which amounts in any of the restricted or unrestricted fund balance classifications (committed, assigned, or unassigned) could be used. The County will apply expenditures against restricted amounts first, followed by the committed, assigned and unassigned amounts.

Amounts reported as encumbrances may be classified as either restricted, committed or assigned depending on the constraints and approval in place at year end. Encumbrances outstanding at year-end are reported as assignments of fund balance in the General Fund and Special Revenue Funds and do not constitute expenditures or liabilities because the obligation will be honored during the subsequent year.

Revenue Stabilization Account

Section 10-8-101 of the County Code gives the County the authority to establish and maintain a Revenue Stabilization Account (the Account) to provide financial resources for unanticipated decreases in revenues, primarily intergovernmental revenues. The General Fund Unassigned Fund Balance includes \$93.107 million that the County has set aside in the Account. Revenues in excess of estimates and any unexpended appropriations at the close of the fiscal year shall be transferred to the Account if the Account balance does not exceed five percent of the current fiscal year General Fund budgeted revenue after interest is credited to the Account. The Director of Budget and Finance shall notify the County Executive and County Council that a funds availability deficit exists in the General Fund at the end of any fiscal year and request that sufficient monies to the extent available be transferred from the Account to eliminate the deficit. Funds in the Account are not to be used for any other purpose except upon the recommendation of the County Executive and approval of a majority plus one of the County Council.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the County's pension plans (Employees' Retirement System Plan and Police, Fire and Widows' Pension Plan) and additions to/deductions from their respective fiduciary net position have been determined on the same basis as they are reported by each pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (expressed in thousands):

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of the reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$3,477,666 difference are as follows:

General obligation debt	\$ 1,650,468
Certificates of participation and loan payable	92,703
Add: Issuance premium (to be amortized as a reduction to interest expense)	119,702
Less: Issuance discount (to be amortized as interest expense)	(1,426)
Less: Deferred charge on refunding (to be amortized as interest expense)	(19,887)
Accrued interest payable	24,472
Compensated absences	65,452
Other post employment benefits liability	182,217
Net pension liability	1,299,079
Disputed taxes	48,093
Estimated landfill closing costs	<u>16,793</u>
Net adjustment to reduce fund balance - total funds to arrive at net position of governmental activities	<u>\$ 3,477,666</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$42,589 difference are as follows:

Capital outlay	\$ 126,026
Depreciation expense	<u>(83,437)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 42,589</u></u>

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Another element of the reconciliation states that "The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position." The details of this \$13,321 difference are as follows:

In the statement of activities, only the gain/(loss) on the sale or disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	\$ (171)
Donations and transfers in of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>13,492</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$ 13,321</u></u>

Another element of the reconciliation states that "The issuance of long-term debt (e.g., bonds, certificates of participation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$78,127 difference are as follows:

Debt issued or incurred:	
General obligation debt	\$ (112,000)
Payment to escrow agent for refundings	-
Add: premium	(25,010)
Principal repayments:	
General obligation debt	196,919
Certificates of participation and loans	<u>18,218</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 78,127</u></u>

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Another element of the reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$7,633 difference are as follows:

Increase in compensated absences	\$ (3,391)
Increase in accrued interest	(655)
Increase in other post employment benefits liability	(11,386)
Increase in landfill closure and post-closure costs	(400)
Amortization of deferred charge on refunding	(2,044)
Amortization of premiums	25,614
Amortization of discounts	(105)
	<hr/>
Net adjustment to decrease net changes in fund balances - total	
governmental funds to arrive at changes in net position of	
governmental activities	<u><u>\$ 7,633</u></u>

3. CASH, INVESTMENTS AND SECURITIES LENDING:

The County maintains a cash and investment pool that is available for use by all funds, except for the fiduciary funds. Each fund's portion of this pool is reported on the statement of net position as "Cash and investments." The fiduciary funds investments are held and managed separately from those of other County funds.

Deposits

The County maintains cash balances, which are covered by FDIC insurance and collateral held at the Federal Reserve in the County's name. The component units' cash in banks are covered either by FDIC insurance or the County's blanket collateral coverage. At June 30, 2016, the carrying amounts of cash for the primary government and its component units were \$22.064 million and \$15.669 million respectively.

Investments

Internal Investment Pool (the "Pool") - The County has adopted an investment policy to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the County and conforming to all state and local statutes governing the investment of public funds. Permissible investments include U.S. Government obligations, U.S. Government agency obligations, money market mutual funds, repurchase agreements, banker's acceptances, commercial paper (no more than 10% of the portfolio) and the Maryland Local Government Investment Pool (MLGIP) that is administered by the State Treasurer. Repurchase agreements are collateralized according to Maryland State Investment Code and marked to market daily.

The MLGIP was established under the Annotated Code of Maryland and is rated AAAM by Standard and Poors, their highest rating for money market funds. MLGIP is a 2a7 like pool, which is not registered with the Securities and Exchange Commission (SEC), but generally operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 (Rule 2a7). Unit value is computed using the amortized cost method and maintains a \$1 per share value.

Pension Trust Funds and Other Post Employment Benefits ("OPEB") - As provided in Article 5, Title 1 and § 10-14-106 of the Baltimore County Code, the Board of Trustees of the Employees' Retirement System (the "System") is empowered to invest the System's and OPEB's assets jointly and to take appropriate action regarding the investment, management and custodianship of the System's and OPEB's plan assets. The System's and OPEB's investment policy targets 27% in U.S. equities, 22% in international equities, 24% in core-plus fixed income

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investments, 5% in real estate equity, 7% in private equities and 15% in Global Asset Allocation Funds. Certain System and OPEB investment managers have invested in the following types of instruments: asset backed securities, warrants, variable rate securities and interest rate swaps, U.S. Treasury interest and principal strips, U.S. Treasury futures and options, and collateralized mortgage obligations. The System's and OPEB's fixed income managers primarily acquire these types of instruments to increase investment yield and/or decrease investment risk. The Police, Fire and Widows' Pension Plan (the "Pension Plan") invests 70% in fixed income securities and 30% in equities.

Investments for the primary government as of June 30, 2016 are as follows (in thousands):

Primary Government Investments	The System				Pension Plan	Total Primary Government
	The Pool	Plan A	Plan B	OPEB Plan		
U.S. securities and agencies						
Not on securities loan	\$ 61,259	\$ 100,222	\$ 2,462	\$ 17,364	\$ -	\$ 181,307
On securities loan for						
securities or cash collateral	-	10,022	246	1,736	-	12,004
MLGIP	174,369	-	-	-	-	174,369
Municipal bonds	-	3,402	83	590	10,038	14,113
Foreign bonds	-	13,275	326	2,300	6,713	22,614
Corporate bonds						
Not on securities loan	-	71,923	1,767	12,461	-	86,151
On securities loan for						
securities or cash collateral	-	3,094	76	536	-	3,706
Bond mutual funds	-	356,167	8,748	61,709	5,424	432,048
Money market funds	9,518	39,236	964	6,798	202	56,718
Real estate equity funds	-	127,245	3,125	22,046	-	152,416
Stocks						
Not on securities loan	-	408,350	10,030	70,749	-	489,129
On securities loan for						
securities or cash collateral	-	36,713	902	6,361	-	43,976
Stock mutual funds - domestic	-	380,534	9,347	65,930	6,741	462,552
Stock mutual funds - international	-	266,327	6,542	46,143	2,722	321,734
Hedge funds	-	1,517	37	263	-	1,817
Private equity funds	-	106,807	2,623	18,505	-	127,935
Global Asset Allocation fund	-	356,334	8,752	61,737	-	426,823
Securities lending short-term						
collateral investment pool	-	24,254	596	4,202	-	29,052
Total	<u>\$ 245,146</u>	<u>\$ 2,305,422</u>	<u>\$ 56,626</u>	<u>\$ 399,430</u>	<u>\$ 31,840</u>	<u>\$ 3,038,464</u>

Component units' investments of \$166.312 million include \$152.589 million of MLGIP and \$13.723 million of money market funds.

Securities Lending Transactions - The System's, the OPEB Plan's and the Pension Plan's policies authorize the lending of their securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The System's, the OPEB Plan's and the Pension Plan's custodian may lend U.S. government and agency securities, corporate bonds and stocks for collateral in the form of cash, other securities and irrevocable bank letters of credit. Collateral securities, letters of credit and cash are initially pledged at 102% of the fair value of the securities lent. Additional collateral is to be provided by the next business day if the collateral value falls to less than 100% of the fair value of the securities lent. The System, the OPEB Plan and the Pension Plan did not impose any restrictions during the fiscal year on security loans the custodian made on its

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behalf. The System, the OPEB Plan and the Pension Plan at year-end had no credit risk exposure to borrowers because the amounts owed to borrowers exceed the amounts the borrowers owe. The System, the OPEB Plan, the Pension Plan or the borrower can terminate securities loans on demand. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end had a weighted average maturity of 4 days. The System, the OPEB Plan and the Pension Plan cannot pledge or sell collateral securities received unless the borrower defaults. The collateral held and the fair value of securities on loan as of June 30, 2016 totaled \$61.343 million and \$59.685 million, respectively.

The following is a listing of the Pool's, the OPEB Plan's and the Pension Trust Funds' fixed income investments of bonds, short-term investments and related maturity schedule (in thousands):

		Investment Maturities (in years)					
Investment Type	Fair Value	Less than 1	1 - 4.9	5 - 9.9	10 - 19.9	20 - 30	More than 30
The Pool							
U.S. Government Obligations	\$ 61,259	\$ 60,076	\$ -	\$ 1,183	\$ -	\$ -	\$ -
The System - Plan A							
U.S. Government Obligations	\$ 55,214	\$ 489	\$ 15,056	\$ 13,612	\$ 1,641	\$ 21,422	\$ 2,994
U.S. Agency Securities	55,030	10,047	6,711	14,453	10,790	13,029	-
Municipal Bonds	3,402	-	-	-	1,123	2,279	-
Corporate Debt	75,017	17,098	15,056	20,742	7,626	7,654	6,841
Bond Mutual Funds	356,167	-	76,683	279,484	-	-	-
Foreign Debt	13,275	2,749	3,027	3,872	1,528	1,680	419
Total	558,105	30,383	116,533	332,163	22,708	46,064	10,254
The System - Plan B							
U.S. Government Obligations	1,356	12	370	334	41	526	73
U.S. Agency Securities	1,352	247	165	355	265	320	-
Municipal Bonds	83	-	-	-	27	56	-
Corporate Debt	1,843	420	370	510	187	188	168
Bond Mutual Funds	8,748	-	1,883	6,865	-	-	-
Foreign Debt	326	68	75	95	37	41	10
Total	13,708	747	2,863	8,159	557	1,131	251
OPEB Plan							
U.S. Government Obligations	9,566	85	2,608	2,358	284	3,712	519
U.S. Agency Securities	9,534	1,740	1,163	2,504	1,869	2,258	-
Municipal Bonds	590	-	-	-	195	395	-
Corporate Debt	12,997	2,962	2,608	3,593	1,322	1,327	1,185
Bond Mutual Funds	61,709	-	13,286	48,423	-	-	-
Foreign Debt	2,300	476	524	671	265	291	73
Total	96,696	5,263	20,189	57,549	3,935	7,983	1,777
Pension Plan							
Municipal Bonds	10,038	-	10,038	-	-	-	-
Bond Mutual Funds	5,424	-	-	-	5,424	-	-
Foreign Debt	6,713	-	2,475	-	-	-	4,238
Total	22,175	-	12,513	-	5,424	-	4,238
Total Primary Government	\$ 751,943	\$ 96,469	\$ 152,098	\$ 399,054	\$ 32,624	\$ 55,178	\$ 16,520

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than one year from the date of purchase. The Pension Trust Funds' and the OPEB Plan's policy guidelines do not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Pool's, the Pension Trust Funds' and the OPEB Plan's investment policies are to apply the prudent-person rule: Investments are made as a prudent person would be expected to act with discretion and intelligence, to seek reasonable income, preserve capital and in general, avoid speculative investments. As of June 30, 2016, the Pension Trust Funds' and the OPEB Plan's fixed income investments had the following risk characteristics:

Moody's Rating or Comparable	The System - Plan A		The System - Plan B		OPEB Plan		Pension Plan	
	Percent of Total Investments	Fair Value (in thousands)	Percent of Total Investments	Fair Value (in thousands)	Percent of Total Investments	Fair Value (in thousands)	Percent of Total Investments	Fair Value (in thousands)
AAA	20.3%	\$ 113,436	20.3%	\$ 2,786	20.3%	\$ 19,654	0.0%	\$ -
AA	1.4%	7,965	1.4%	195	1.4%	1,380	0.0%	-
A	4.3%	24,159	4.3%	593	4.3%	4,186	0.0%	-
BBB	4.4%	24,731	4.4%	608	4.4%	4,285	0.0%	-
BB	1.1%	6,061	1.1%	149	1.1%	1,050	0.0%	-
B	0.4%	2,262	0.4%	56	0.4%	392	0.0%	-
CCC	0.7%	3,644	0.7%	90	0.7%	631	0.0%	-
CC	0.2%	1,150	0.2%	28	0.2%	199	0.0%	-
Not Rated	67.2%	374,697	67.2%	9,203	67.2%	64,919	100.0%	22,175
Total	100.0%	\$ 558,105	100.0%	\$ 13,708	100.0%	\$ 96,696	100.0%	\$ 22,175

The Pool's fixed income investments of \$61,259 were invested 100% in AAA rated investments.

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Foreign Currency Risk – The System's and the OPEB Plan's exposure to foreign currency risk is derived from its positions in foreign currency-denominated common stock and fixed asset investments. Managers are allowed to use derivatives to hedge out foreign currency, however, there is no formal policy regarding foreign currency risk. The System's and the OPEB Plan's exposure to foreign currency risk is as follows:

Currency	Fair Value (in thousands)			
	The System		OPEB Plan	Total
	Plan A	Plan B		
Australian Dollar	\$ 5,111	\$ 126	\$ 885	\$ 6,122
Brazil Real	533	13	92	638
Canadian Dollar	2,011	49	349	2,409
Danish Krone	2,798	69	485	3,352
Euro Currency Unit	58,983	1,449	10,219	70,651
Hong Kong Dollar	9,026	222	1,564	10,812
Israeli Shekel	1,184	29	205	1,418
Japanese Yen	48,249	1,185	8,360	57,794
New Taiwan Dollar	911	22	158	1,091
New Zealand Dollar	355	9	61	425
Norwegian Krone	1,374	34	238	1,646
Pound Sterling	20,539	504	3,559	24,602
Singapore Dollar	3,327	82	576	3,985
South African Rand	292	7	51	350
South Korean Won	5,321	131	922	6,374
Swedish Krona	6,207	152	1,075	7,434
Swiss Franc	13,399	329	2,322	16,050
Turkish Lira	245	6	42	293
	<u>\$ 179,865</u>	<u>\$ 4,418</u>	<u>\$ 31,163</u>	<u>\$ 215,446</u>

Futures contracts are standardized, exchange-traded contracts to purchase or sell a specific financial instrument at a predetermined price. Gains and losses on futures contracts are settled daily based on a notional (underlying) principal value and do not involve an actual transfer of the specific instrument. The System and the OPEB Plan entered into certain futures contracts of which the notional value at June 30, 2016 was \$(26,511,686).

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The System and the OPEB Plan utilizes certain derivative instruments for the purpose of obtaining income or profit. The derivatives are subject to credit risks, interest rate risk, and foreign currency risk. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2016, classified by type and the changes in fair value of such derivative instruments for the year then ended are as follows:

		Changes in Fair Value (expressed in thousands)		Fair Value as of June 30, 2016 (expressed in thousands)	
Investment Derivatives	Classification	Amount	Amount	Notional Value	
The System - Plan A					
Futures	Investment revenue	\$ -	\$ 254	\$ (22,133)	
Options	Investment revenue	10	2	(2,073)	
Swaps	Investment revenue	(633)	(608)	(10,100)	
Mortgage Derivatives	Investment revenue	(166)	1,102	1,102	
TBA Transactions	Investment revenue	3	1,670	1,670	
The System - Plan B					
Futures	Investment revenue	\$ -	\$ 6	\$ (544)	
Options	Investment revenue	-	-	(51)	
Swaps	Investment revenue	(16)	(15)	(248)	
Mortgage Derivatives	Investment revenue	(4)	27	27	
TBA Transactions	Investment revenue	-	41	41	
OPEB					
Futures	Investment revenue	\$ -	\$ 44	\$ (3,835)	
Options	Investment revenue	-	1	(359)	
Swaps	Investment revenue	(110)	(105)	(1,750)	
Mortgage Derivatives	Investment revenue	(29)	191	191	
TBA Transactions	Investment revenue	-	290	290	

Rationale for derivative strategies: The purpose of using futures and options is to hedge the portfolio to reduce risk and adjust exposure along the yield curve. A short position in total options reduces the portfolio's convexity in exchange for higher yield. A long position increases convexity in exchange for lower yields.

The effect of long and short treasury notes and bond futures is to shift the portfolio's duration to its target position.

The combined effect of Eurodollar and Euribor futures and options is to adjust exposure to the front portion of the yield curve.

Long and short call and put options on notes and bond futures are used to adjust portfolio convexity in exchange for higher yields.

Credit default indices and credit default swaps on individual names are used as an efficient, low cost way of adjusting credit exposure on the margin.

Interest rate swaps are used to adjust interest rate exposure and/or as a substitute for the physical security.

Foreign currency futures, forwards or options are purchased or sold to gain or increase exposure to various currency markets and/or to hedge against foreign currency fluctuations.

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Fair Value Measurement - Investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets for identical assets or liabilities.

Level 2 – Investments reflect prices that are observable for the asset or liability, whether directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources, where there is little, if any market activity.

The following table presents the primary government's recurring fair value measurements as of June 30, 2016

<u>INVESTMENT VALUATION (in Thousands)</u>		<u>Fair Value Measurement Using</u>			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
<u>Investments by Fair Value Level</u>	6/30/2016 Fair Value	Level 1	Level 2	Level 3	
Fixed Income:					
U.S. Government Obligations	\$ 125,785	\$ 111,550	\$ 14,235	\$ -	
U.S. Securities and Agencies	64,181	930	63,251	-	
Municipal bonds	14,113	-	14,113	-	
Corporate bonds	89,490	-	78,885	10,605	
Foreign bonds	23,426	-	22,057	1,369	
Total Debt Securities	316,995	112,480	192,541	11,974	
Equity Securities:					
Domestic	314,937	314,937	-	-	
International	218,168	218,168	-	-	
Total Equity Securities:	533,105	533,105	-	-	
Securities Lending Cash Collateral	29,052	-	29,052	-	
Total Investments by Fair Value Level	879,152	645,585	221,593	11,974	
Investments Measured at the Net Asset Value (NAV):					
Commingled Fixed Income Funds	432,048				
Commingled Domestic Equity	462,552				
Commingled International Equity	321,734				
Real Estate Funds	152,416				
Hedge Fund of Funds	1,817				
Private Equity Funds	127,935				
Global Asset Allocation	426,823				
Total Investments Measured at the NAV	1,925,325				
Investments Derivative Instruments:					
Futures	304	304	-	-	
Options	3	3	-	-	
Swaps	(728)	-	(728)	-	
Mortgage Derivatives	1,320	-	1,320	-	
TBAs	2,001	-	2,001	-	
Total Investments Derivative Instruments	2,900	\$ 307	\$ 2,593	\$ -	
Total Investments by Fair Value Level	<u>\$ 2,807,377</u>				

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The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Debt, equities, and investment derivatives classified in Level 1 of the fair value hierarchy are valued based on prices quoted in active markets for those securities, such as the New York Stock Exchange or the Nasdaq stock market. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique, which is based on the securities' relationship to benchmark quoted prices. Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates. Securities classified in Level 3 of the fair value hierarchy are valued using unobservable inputs for the asset or liability.

Investments in Entities That Calculate Net Asset Value Per Share - The fair values of investments in certain equity, fixed income, and marketable alternatives funds are based on the investments' net asset value (NAV) per share (or its equivalent) of the Pool, the System's and OPEB ownership interest in the partners' capital provided by the investee. The fair values of investments in certain private equity funds have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments.

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The following table presents the primary government's unfunded commitments, redemption terms and investments measured at the NAV as of June 30, 2016.

Investments Measured at the NAV (expressed in thousands)	Fair Value	Strategy Type	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Loomis Sayes Strategic Alpha	\$ 91,852	Absolute Return	-	Semi-monthly	15 days
Loomis Sayes Credit Asset	32,139	High Yield Debt	-	Semi-monthly	15 days
Pimco Diversified Income	209,991	Global, High Yield , Emg. Mkt.	-	Daily	1 day
Pimco Total Return Fund	5,424	Core Plus	-	Daily	1 day
Stone Harbor Local Market	92,642	Emerging Market Debt	-	Daily	1 day
(a) Commingled Fixed Income Funds	<u>432,048</u>				
Benchmark	38,908	Portable Alpha	-	Annually	90 days
Blackrock US Equity	423,644	Wilshire 5000 Index	-	Daily	3 days
(b) Commingled Domestic Equity	<u>462,552</u>				
Blackrock ACWI Ex-US	99,047	All Country World Ex US Index	-	Daily	5 days
Mondrian Emerging Markets	222,687	Emerging Market Equity	-	Monthly	15 days
(c) Commingled International Equity	<u>321,734</u>				
Aslan Realty Partners	486	Opportunistic Real Estate	-	N/A	N/A
JP Morgan	44,577	Value Added Real Estate	-	Monthly	15 days
Clarion Lion	53,039	Core Real Estate	-	Quarterly	90 days
UBS Real Estate	54,314	Core Real Estate	-	Quarterly	60 days
(d) Real Estate Funds	<u>152,416</u>				
EIM Management Alternative	705	Hedge Fund-of-Funds	-	N/A	N/A
Federal Street Offshore	1,112	Hedge Fund-of-Funds	-	N/A	N/A
(e) Hedge Fund of Funds	<u>1,817</u>				
(f) Private Equity	<u>127,935</u>	Private Equity	53,939	N/A	N/A
Bridgewater All Weather	148,088	Risk Parity	-	Monthly	5 days
Mellon EB DV Global Alpha 1	134,096	Global Asset Allocation	-	Daily	3 days
Wellington WTC-CIF Opportunistic	144,639	Global Asset Allocation	-	Monthly	30 days
(g) Global Asset Allocation	<u>426,823</u>				
Total Investments Measured at NAV	<u><u>\$ 1,925,325</u></u>				

Investments measured at the NAV above comprise of the following:

- (a) Commingled Fixed Income Funds – This type includes investments in five funds, utilizing a variety of strategies which include Absolute Return, High Yield Debt and Emerging Market Debt. Three of the funds may be redeemed daily and the other two funds may be redeemed semi-monthly. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (b) Commingled Domestic Equity Funds – This type includes two funds with investments in U.S. common stocks. The strategy type employed are Portable Alpha and the Wilshire 5000 index. The fund utilizing the Portable Alpha strategy may only be redeemed annually with a redemption notice period of ninety days. The fund utilizing the Wiltshire 5000 index strategy may be redeemed daily with a redemption notice period of three days. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (c) Commingled International Equity Funds – This type includes two funds. One of the funds utilizes the All Country World Ex-US Index, with a daily redemption frequency and a redemption notice period of five days.

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The second fund utilizes an Emerging Market Equity strategy with a monthly redemption frequency and a redemption notice period of fifteen days. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.

- (d) Real Estate Funds – This type includes four funds that invest primarily in U.S. commercial real estate. The fund utilizing the Opportunistic Real Estate strategy is a closed fund. It is expected the assets will be liquidated over five to ten years. The strategy type for two of these funds is Core Real Estate and the fourth fund employs a Value Added Real Estate strategy. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (e) Hedge Fund of Funds – This type includes two funds. These funds are in liquidation. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (f) Private Equity Funds – This type includes thirty two funds whose investments are not publicly traded on a stock exchange. These investments cannot be redeemed with the funds. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is expected that the underlying assets of the fund would be generally liquidated over ten years. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.
- (g) Global Asset Allocation – This type includes three funds. One fund utilizes the Risk Parity strategy and the other two funds employ Global Tactical Asset Allocation (GTAA). GTAA is designed to balance risk by investing in a variety of asset classes through active management. Funds may be invested in global equities, bonds and commodities. One fund allows daily redemptions with a redemption notice period of three days. The other two funds allow only monthly redemptions. The redemption period is five and thirty days, respectively. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.

4. PROPERTY TAX:

The major portion of the County's property tax is levied each July 1 on the assessed value listed as of that date for all real and personal property located in the County.

Assessed values are established by the Maryland Department of Assessments and Taxation at one hundred percent of estimated market value. The assessed value of taxable real and personal property in the County for fiscal year 2016 was \$79.8 billion.

The property tax rate for the year ended June 30, 2016 was \$1.10 for real property and \$2.75 for personal property per \$100 of assessed valuation. The current tax collections for the year were 98.7% of the tax levied. Property taxes are recorded as receivables in the General Fund at the levy date with appropriate allowances for estimated uncollectible amounts as described in Note 5.

The full year property tax calendar is as follows:

*July 1 - Full year levy assessed for current fiscal year.

*July 31 - Bills paid during July are granted a 1% discount.

August 31 - Bills paid during August are granted a ½% discount.

September 30 - First semiannual installment is due if eligible property owners elect the semiannual payment option for real property taxes.

October-April - Delinquent taxes accrue interest at the rate of 1% a month from October 1 to date of payment

December 1 - Second installment due on real property taxes if paying on a semiannual basis.

June - Delinquent real properties are sold at the annual tax sale.

*A 1% discount is granted if paid within 30 days, for bills dated other than July.

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5. RECEIVABLES (in thousands):

Receivables as of June 30, 2016 for the County's major funds and Internal Service Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities					
	General	Gifts and Grants	Consolidated Public Improvement Construction	Nonmajor and Internal Service	Metropolitan District	Total Receivables
Property taxes	\$ 9,931	\$ -	\$ -	\$ -	\$ -	\$ 9,931
Accounts	306	-	-	3,273	1,031	4,610
Intergovernmental	21,128	22,804	426	-	2,172	46,530
Assessments	516	-	2,732	136	115,170	118,554
Loans	134,178	64,445	-	-	-	198,623
Interest	65	-	-	-	-	65
Total receivables	166,124	87,249	3,158	3,409	118,373	378,313
Allowance for uncollectible accounts	(1,851)	(30,904)	-	-	-	(32,755)
Net total receivables	<u>\$ 164,273</u>	<u>\$ 56,345</u>	<u>\$ 3,158</u>	<u>\$ 3,409</u>	<u>\$ 118,373</u>	<u>\$ 345,558</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 172</u>	<u>\$ 32,392</u>	<u>\$ 2,039</u>	<u>\$ -</u>	<u>\$ 100,970</u>	<u>\$ 135,573</u>

At June 30, 2016, the County has recorded \$64.445 million of outstanding loans receivable in the Gifts and Grants Fund. Of these receivables, \$55.402 million are for loans made to residents and developers to acquire, rehab, or repair low-income housing units or to provide funds for settlement costs to qualified first-time home buyers under various federally funded financial assistance programs. Approximately \$30.904 million of these loans are offset by an allowance for uncollectible accounts because collections are highly uncertain. In many cases, the loan repayment is forgiven if the resident/developer complies with certain federal requirements, which may include residing in the property for a stated number of years.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. The various components of deferred inflows and unearned revenue reported in the governmental funds as of June 30, 2016 were as follows:

	Unavailable	Unearned	Total
Property taxes	\$ 8,148	\$ 716	\$ 8,864
Income taxes	82,241	-	82,241
Interest subsidy	859	-	859
Economic and community development loans	34,056	-	34,056
Special assessments not yet due	3,024	-	3,024
Grant funds received prior to meeting all eligibility requirements	-	1,553	1,553
Total	<u>\$ 128,328</u>	<u>\$ 2,269</u>	<u>\$ 130,597</u>

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6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (in thousands):

The composition of interfund balances as of June 30, 2016 is as follows:

Receivable fund	Payable fund	Purpose	Amount
General	Consolidated Public Improvement Construction	Deficit cash balance	\$ 93,379
General	Metro District	Deficit cash balance	52,642
		Total	<u>\$ 146,021</u>

Interfund transfers for the fiscal year ended June 30, 2016 were as follows:

Transferred from	Transferred to			
	General	Gifts and Grants	Consolidated Public Improvement Construction	Total
General	\$ -	\$ 6,182	\$ 107,275	\$ 113,457
Gifts and Grants	306	-	-	306
Consolidated Public Improvement Construction	-	9,943	-	9,943
Nonmajor Governmental Funds	-	450	14,514	14,964
Metropolitan District	738	-	-	738
Internal Service Funds	135	-	-	135
Total transfers	<u>\$ 1,179</u>	<u>\$ 16,575</u>	<u>\$ 121,789</u>	<u>\$ 139,543</u>

The transfers from the General Fund to the Consolidated Public Improvement Construction Fund (CPI) are pay-as-you-go funding for capital projects. Net transfers of \$5.876 million between the General Fund and the Gifts and Grants Fund are County matching funds for grant funded programs. A transfer of \$14.514 million from the Stormwater Management Fund to CPI is allocated for capital improvements to reduce stormwater runoff into the Chesapeake Bay. Transfers totaling \$9.943 million from CPI to the Gifts and Grants Fund are contributions for loans and grants. The remaining transfers are various funding contributions for designated grant programs.

As of June 30, 2016, receivable and payable balances remained between the primary government and its discretely presented component units. These balances and transactions are a result of the primary government's ongoing funding of the component units' capital and operating costs. Receivables and payables between the primary government and the component units do not equal due to timing differences.

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7. CAPITAL ASSETS (in thousands):

A summary of the primary government's changes in capital assets for the year ended June 30, 2016 is reported below:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 287,829	\$ 2,322	\$ (7)	\$ 290,144
Construction in progress	457,954	123,244	(32,666)	548,532
Total capital assets not being depreciated	<u>745,783</u>	<u>125,566</u>	<u>(32,673)</u>	<u>838,676</u>
Capital assets being depreciated:				
Buildings and improvements	512,435	14,611	(10)	527,036
Machinery and equipment	128,501	4,194	(11,416)	121,279
Vehicles	131,746	2,928	(6,449)	128,225
Infrastructure	2,504,558	26,623	(64)	2,531,117
Total capital assets being depreciated	<u>3,277,240</u>	<u>48,356</u>	<u>(17,939)</u>	<u>3,307,657</u>
Less accumulated depreciation for:				
Buildings and improvements	(187,018)	(13,104)	-	(200,122)
Machinery and equipment	(63,863)	(12,718)	11,888	(64,693)
Vehicles	(77,430)	(9,438)	5,681	(81,187)
Infrastructure	(1,287,930)	(51,092)	-	(1,339,022)
Total accumulated depreciation	<u>(1,616,241)</u>	<u>(86,352)</u>	<u>17,569</u>	<u>(1,685,024)</u>
Total capital assets being depreciated, net	<u>1,660,999</u>	<u>(37,996)</u>	<u>(370)</u>	<u>1,622,633</u>
Governmental activities capital assets, net	<u>\$ 2,406,782</u>	<u>\$ 87,570</u>	<u>\$ (33,043)</u>	<u>\$ 2,461,309</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 1,317	\$ -	\$ -	\$ 1,317
Construction in progress	251,324	51,630	(72,078)	230,876
Total capital assets not being depreciated	<u>252,641</u>	<u>51,630</u>	<u>(72,078)</u>	<u>232,193</u>
Capital assets being depreciated:				
Buildings and improvements	194,163	3,273	-	197,436
Machinery and equipment	1,347	-	(38)	1,309
Vehicles	10,693	1,078	(762)	11,009
Infrastructure	1,248,969	84,787	-	1,333,756
Total capital assets being depreciated	<u>1,455,172</u>	<u>89,138</u>	<u>(800)</u>	<u>1,543,510</u>
Less accumulated depreciation for:				
Buildings and improvements	(82,596)	(5,758)	-	(88,354)
Machinery and equipment	(599)	(89)	38	(650)
Vehicles	(6,309)	(884)	762	(6,431)
Infrastructure	(358,585)	(22,841)	-	(381,426)
Total accumulated depreciation	<u>(448,089)</u>	<u>(29,572)</u>	<u>800</u>	<u>(476,861)</u>
Total capital assets being depreciated, net	<u>1,007,083</u>	<u>59,566</u>	<u>-</u>	<u>1,066,649</u>
Business-type activities capital assets, net	<u>\$ 1,259,724</u>	<u>\$ 111,196</u>	<u>\$ (72,078)</u>	<u>\$ 1,298,842</u>

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Depreciation expense was charged to primary government functions as follows:

Governmental activities:

General government	\$ 12,951
Public safety	7,070
Public works, which includes the depreciation of infrastructure assets	52,819
Health and human services	1,315
Culture and leisure services	9,264
Economic and community development	18
Capital assets held by the County's internal service funds is charged to the various activities based on their usage of the assets.	<u>2,915</u>
Total depreciation expense - governmental activities	<u><u>\$ 86,352</u></u>

Business-type activities:

Water and sewer services, which include the depreciation of infrastructure assets	<u>\$ 29,572</u>
Total depreciation expense - business-type activities	<u><u>\$ 29,572</u></u>

A summary of the component units' changes in capital assets is reported below:

	Beginning Balance	Increases	Decreases	Ending Balance
Board of Education of Baltimore County				
Capital assets not being depreciated:				
Land	\$ 30,526	\$ -	\$ -	\$ 30,526
Construction in progress	263,972	154,045	(62,073)	355,944
Total capital assets not being depreciated	<u>294,498</u>	<u>154,045</u>	<u>(62,073)</u>	<u>386,470</u>
Capital assets being depreciated:				
Buildings	1,690,249	62,574	(334)	1,752,489
Improvements other than buildings	95,239	3,273	-	98,512
Equipment and vehicles	158,673	6,043	(10,119)	154,597
Total capital assets being depreciated	<u>1,944,161</u>	<u>71,890</u>	<u>(10,453)</u>	<u>2,005,598</u>
Less accumulated depreciation	<u>(724,823)</u>	<u>(66,967)</u>	<u>10,098</u>	<u>(781,692)</u>
Total capital assets being depreciated, net	<u>1,219,338</u>	<u>4,923</u>	<u>(355)</u>	<u>1,223,906</u>
Board of Education capital assets, net	<u><u>\$ 1,513,836</u></u>	<u><u>\$ 158,968</u></u>	<u><u>\$ (62,428)</u></u>	<u><u>\$ 1,610,376</u></u>

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	Beginning Balance	Increases	Decreases	Ending Balance
The Community College of Baltimore County				
Capital assets not being depreciated:				
Land	\$ 4,798	\$ -	\$ -	\$ 4,798
Construction in progress	35,524	8,520	(40,758)	3,286
Total capital assets not being depreciated	40,322	8,520	(40,758)	8,084
Capital assets being depreciated:				
Buildings and improvements	205,983	40,315	-	246,298
Infrastructure	27,371	443	-	27,814
Equipment and vehicles	24,672	970	(47)	25,595
Library materials	6,798	131	(933)	5,996
Total capital assets being depreciated	264,824	41,859	(980)	305,703
Less accumulated depreciation	(122,165)	(12,051)	973	(133,243)
Total capital assets being depreciated, net	142,659	29,808	(7)	172,460
The Community College of Baltimore County capital assets, net	<u>\$ 182,981</u>	<u>\$ 38,328</u>	<u>\$ (40,765)</u>	<u>\$ 180,544</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Board of Library Trustees for Baltimore County				
Capital assets being depreciated:				
Equipment and vehicles	\$ 8,837	\$ 7	\$ (211)	\$ 8,633
Circulation materials	17,995	5,060	(6,578)	16,477
Total capital assets being depreciated	26,832	5,067	(6,789)	25,110
Less accumulated depreciation	(15,924)	(6,353)	6,789	(15,488)
Board of Library Trustees for Baltimore County capital assets, net	<u>\$ 10,908</u>	<u>\$ (1,286)</u>	<u>\$ -</u>	<u>\$ 9,622</u>

8. LONG-TERM OBLIGATIONS:

The County's principal long-term obligations are general obligation bonds and commercial paper bond anticipation notes (BANs) issued to finance the construction of county-wide public capital projects, water and sewer facilities within the County's Metropolitan District, and to finance pension obligations of the System and the Pension Plan. The County's full faith, credit and unlimited taxing power are irrevocably pledged to the payment of the principal and interest of these bonds and notes.

Other long-term obligations include the accrued liability for vested compensated absences, estimated landfill closing costs, certificates of participation and loans payable. The County considers all non-proprietary funds vested compensated absences to be long-term debt. Of the primary government's general long-term debt, only the redemption of the BANs and the liability for landfill closing costs are expected to be paid with bond proceeds.

The County Charter authorizes the County Council by appropriate resolution to issue bonds, other than Metropolitan District bonds, up to a debt limit of 4% of the County's assessable property base, and Metropolitan

BALTIMORE COUNTY, MARYLAND
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District bonds up to a debt limit of 3.2% of the District's assessable property base. Information related to these limitations are as follows:

	(in thousands)	
	General Bonds	Metropolitan District
Legal limitation for the borrowing of funds and issuance of bonds	\$ 3,192,972	\$ 2,266,793
General obligation debt outstanding applicable to debt limit	1,650,468	1,102,668

General obligation debt issuances require approval by voter referendum. Approved and unissued general obligation bonded debt totaled \$626,876,361 as of June 30, 2016, comprised of \$304,745,881 for public schools, \$293,190,910 for public facilities and \$28,939,570 for the Community College. Appropriated and unissued Metropolitan District bonded debt totaled \$1,093,792,874 as of June 30, 2016.

General Obligation Bonds

On March 8, 2016, the County sold \$200,000,000 General Obligation Bonds, consisting of \$88,000,000 Metropolitan District Bonds – 78th Issue, for the payment of Baltimore County Metropolitan District Bond Anticipation Notes – 2015 Series and \$112,000,000 Consolidated Public Improvement Bonds 2016 Series, for the payment of Baltimore County Consolidated Public Improvement Bond Anticipation Notes – 2015 Series. The Metropolitan District Bonds are due February 1, in each of the years 2017 to 2046, inclusive, and bear a true interest cost of 3.21%. The Consolidated Public Improvement Bonds are due February 1, in each of the years 2018 to 2036, inclusive, and bear a true interest cost of 2.60%.

On March 8, 2016, the County sold \$65,705,000 General Obligation Metropolitan District Refunding Bonds. The Metropolitan District Bonds were issued for the advance refunding of \$17,400,000 principal amount of Baltimore County Metropolitan District Bonds (70th Issue) and \$45,000,000 principal amount of Baltimore County Metropolitan District Bonds (71st Issue).

The net proceeds of the advance refunding were invested in State and Local Government Securities (SLGS) and deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result of the refunding, the County reduced its total debt service payments by \$11,249,348 and obtained an economic gain of \$9,071,946. The refunded bonds are considered defeased and the liability for those bonds will be removed from the government-wide statement of net position.

BALTIMORE COUNTY, MARYLAND
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General Obligation Bond Anticipation Notes (BANs)

As of June 30, 2016, the County has outstanding \$99.8 million Consolidated Public Improvement (CPI) BANs and \$99.3 million Metropolitan District (MD) BANs, comprised of Commercial Paper (CP) BANs.

Commercial Paper Bond Anticipation Notes are sold with an initial maturity of up to 270 days, and upon maturity, they are remarketed. This remarketing is backed for liquidity purposes by a line of credit, the terms of which provide that no principal repayments are due by the County until the completion of the Liquidity Agreement. The Liquidity Agreement of \$200 million was renewed on August 1, 2014 for four years until August 1, 2018. The weighted-average maturity of the Commercial Paper Bond Anticipation Notes for FY 2016 was 49 days and interest rates ranged from 0.02% to 0.48%.

Maryland Water Quality Financing Agreement

During fiscal year 2016, the County issued \$31,763,768 in Metropolitan District Bonds through the Maryland Water Quality Revolving Loan Fund. The Fund subsidizes the interest rate on sewer and water projects. As of June 30, 2016, the balance outstanding was \$116,315,887.

General Obligation Bonds Defeasance

The County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. As of June 30, 2016, \$320,000,000 of bonds were refunded and are considered defeased.

Single Stream Recycling Loan

The County has a conditional purchase agreement with the Baltimore County Police, Fire and Widows Pension Plan that was used to finance a waste transfer station upgrade and to procure and install a single stream recyclables processing system at the County's Resource Recovery Facility in Cockeysville, Maryland. The principal component of the loan is to be repaid monthly commencing July 1, 2014 through June 30, 2018. The interest component of the loan has been paid monthly at an annual rate of 7.875%. As of June 30, 2016, the balance of outstanding principal was \$10,037,919.

Other

The County issues debt to finance the construction of certain capital facilities of its component units and for major water and sewer projects done in conjunction with the City of Baltimore (the "City"), which decreases the "Unrestricted" net position component in the statement of net position. The following summarizes these situations where the County is reporting the debt in its financial statements, while the corresponding assets are reported by the other reporting entity.

- The Board of Education and the Community College have no authority to issue bonded debt. That authority rests with the County subject to voter approval. The County had \$637.92 million of its net Consolidated Public Improvement general obligation bonds outstanding (net of unamortized premiums and deferred charges) that is related to capital facilities of the component units as of June 30, 2016.
- The Metropolitan District Act requires the City to provide water to the County's Metropolitan District. The City also treats sewage from the Metropolitan District at cost. The County has agreed to pay the City on a pro-rata basis for construction of certain City owned sewer and water capital projects that serve the Metropolitan District. The County's contributions towards these City owned facilities are funded primarily with bond proceeds. The County estimates 36.9% of its net Metropolitan District general obligation bonds outstanding or \$448.697 million is related to these facilities as of June 30, 2016.

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At June 30, 2016, the County has accrued \$16.79 million of estimated closure and postclosure care costs for its one active landfill. State and federal laws require the County to place a final cover on its open landfill when it stops accepting waste in approximately 2053 and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure costs generally will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these costs as a liability in the Governmental Activities of the Statement of Net Position based on the landfill capacity used as of the end of the fiscal year. The amount included in the landfill closure and postclosure care costs liability at June 30, 2016 represents the cumulative unspent amount reported to date based on the use of 56.3% of the estimated landfill capacity. The County will recognize the remaining estimated cost of closure and postclosure care of \$13.03 million as the remaining estimated capacity is filled. The actual cost may differ due to inflation, changes in technology, or changes in regulations. The County intends to finance these costs primarily with bond proceeds in its Consolidated Public Improvement Construction Fund.

Financial assurance provisions of federal regulations require owners and operators of municipal solid waste landfills to demonstrate that adequate funds will be readily available for the costs of closure, post closure care, and corrective action associated with their facilities. The County had demonstrated that it met the local government financial test assurance mechanism as of December 31, 2015 and has placed appropriate documents in the operating record of its active landfill.

The County has participated in the issuance of economic development revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities. The County is not obligated in any manner for repayment of the bonds, and therefore they are not reported as liabilities in the financial statements. The aggregate outstanding principal amount as of June 30, 2016 for bonds issued prior to July 1, 1996 could not be determined, however, the original issue amounts approximate \$439.68 million. The aggregate principal amount payable for bonds issued after July 1, 1996 was 208.32 million at June 30, 2016.

The State of Maryland allows Maryland residents who earn personal income in jurisdictions outside Maryland to take a credit against their Maryland State income taxes for the income taxes paid to other jurisdictions. Maryland has not allowed this credit against Maryland County or Municipal income taxes. A suit was brought against the State, the Wynne Case, asserting that this unequal treatment violated the Federal Commerce Clause. The State lost the case before the Maryland Court of Appeals and the U.S. Supreme Court has upheld that ruling. As a result, the State must allow credits against county income taxes. The impact to the County will be a loss of current revenues, as well as refunds of overpayments for the prior tax years which the state will recoup from income tax revenue distributions to the County over 20 quarters starting in May 2019. The County has recognized an estimated \$48.093 million liability in its government-wide statements and has assigned \$25.427 million of its General Fund fund balance for these refunds.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Long-term liability activity for the year ended June 30, 2016 is as follows (in thousands):

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due Within One Year
Primary Government:					
Governmental activities:					
General obligation debt					
Consolidated public improvement bonds	\$ 1,274,405	\$ 112,000	\$ (74,665)	\$ 1,311,740	\$ 88,185
Pension funding bonds	249,082	-	(10,154)	238,928	6,187
Bond anticipation notes	211,900	-	(112,100)	99,800	99,800
	<u>1,735,387</u>	<u>112,000</u>	<u>(196,919)</u>	<u>1,650,468</u>	<u>194,172</u>
Add remaining original issue premium	112,231	25,010	(23,440)	113,801	-
Less remaining original issue discount	(1,531)	-	105	(1,426)	-
Total general obligation debt	<u>1,846,087</u>	<u>137,010</u>	<u>(220,254)</u>	<u>1,762,843</u>	<u>194,172</u>
Certificates of participation	96,425	-	(13,760)	82,665	14,780
Add remaining original issue premium	8,075	-	(2,174)	5,901	-
Total certificates of participation	<u>104,500</u>	<u>-</u>	<u>(15,934)</u>	<u>88,566</u>	<u>14,780</u>
Other long-term liabilities					
Loan payable	14,496	-	(4,458)	10,038	4,822
Compensated absences	62,331	57,553	(54,150)	65,734	63,550
Claims payable	54,927	290,845	(287,475)	58,297	33,533
Other post employment benefits	170,831	51,821	(40,435)	182,217	-
Net pension liability	1,082,544	216,535 *	-	1,299,079	-
Disputed taxes	-	48,093	-	48,093	-
Estimated landfill closing costs	16,393	400	-	16,793	-
Total other long-term liabilities	<u>1,401,522</u>	<u>665,247</u>	<u>(386,518)</u>	<u>1,680,251</u>	<u>101,905</u>
Total governmental activities long-term liabilities	<u>\$ 3,352,109</u>	<u>\$ 802,257</u>	<u>\$ (622,706)</u>	<u>\$ 3,531,660</u>	<u>\$ 310,857</u>
Business-type activities:					
General obligation debt					
Metropolitan District bonds	\$ 918,398	\$ 185,469	\$ (110,456)	\$ 993,411	\$ 52,176
Pension funding bonds	10,213	-	(256)	9,957	258
Bond anticipation notes	187,500	-	(88,200)	99,300	99,300
	<u>1,116,111</u>	<u>185,469</u>	<u>(198,912)</u>	<u>1,102,668</u>	<u>151,734</u>
Add remaining original issue premium	52,686	19,309	(10,513)	61,482	-
Total general obligation debt	<u>1,168,797</u>	<u>204,778</u>	<u>(209,425)</u>	<u>1,164,150</u>	<u>151,734</u>
Certificates of participation	4,200	-	(625)	3,575	625
Add remaining original issue premium	410	-	(110)	300	-
Total certificates of participation	<u>4,610</u>	<u>-</u>	<u>(735)</u>	<u>3,875</u>	<u>625</u>
Compensated absences	1,659	1,009	(922)	1,746	1,659
Net pension liability	29,770	6,466 *	-	36,236	-
Total business-type activities long-term liabilities	<u>\$ 1,204,836</u>	<u>\$ 212,253</u>	<u>\$ (211,082)</u>	<u>\$ 1,206,007</u>	<u>\$ 154,018</u>

* Net increase is shown

BALTIMORE COUNTY, MARYLAND
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JUNE 30, 2016

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due Within One Year
Component Units:					
Board of Education:					
Compensated absences	\$ 23,021	\$ 14,349	\$ (13,186)	\$ 24,184	\$ 13,223
Capital leases	49,716	2,521	(9,587)	42,650	7,455
Caims payable	12,933	6,432	(6,568)	12,797	6,600
Net OPEB obligation	10,102	50,040	(40,068)	20,074	-
Net pension liability	86,003	40,829	-	126,832	-
Total Board of Education	181,775	114,171	(69,409)	226,537	27,278
Community College:					
Compensated absences	6,457	4,288	(3,992)	6,753	4,168
Capital leases	179	-	(179)	-	-
Net OPEB obligation	4,908	1,895	-	6,803	-
Net pension liability	2,723	-	(95)	2,628	-
Total Community College	14,267	6,183	(4,266)	16,184	4,168
Board of Library Trustees:					
Compensated absences	1,023	39	-	1,062	1,062
Net OPEB obligation	2,198	-	(195)	2,003	-
Net pension liability	1,751	727	-	2,478	-
Total Board of Library Trustees	4,972	766	(195)	5,543	1,062
Total component unit long-term liabilities	\$ 201,014	\$ 121,120	\$ (73,870)	\$ 248,264	\$ 32,508

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

General long-term debt currently outstanding as of June 30, 2016 is as follows:

Governmental Activities:
(in thousands)

General Obligation Debt:

Bonds

Dated	Original Maturity Range	Interest Rate Range	Issue Amount	Balance 6/30/2016	Unamortized Premium/ (Discount)	Carrying Value 6/30/2016
09/27/06	2007-2026	4.000 - 5.000	\$ 111,000	\$ 6,000	\$ 12	\$ 6,012
01/03/08	2009-2028	4.000 - 5.000	140,000	14,000	188	14,188
02/24/09	2009-2018	2.000 - 5.000	26,880 *	14,255	450	14,705
11/05/09	2010-2025	6.150 - 6.150	19,400	19,400	(1,426)	17,974
11/10/09	2010-2029	0.650 - 5.650	155,570	112,800	267	113,067
08/10/10	2011-2022	2.500 - 4.000	13,565 *	13,540	726	14,266
11/09/10	2012-2017	5.000 - 5.000	70,050	28,000	765	28,765
11/09/10	2012-2029	3.110 - 4.900	19,950	19,950	-	19,950
11/09/10	2018-2030	4.970 - 4.970	177,000	177,000	-	177,000
11/30/11	2013-2032	3.000 - 5.000	170,000	144,000	13,116	157,116
12/12/12	2013-2024	2.000 - 5.000	94,080 *	68,800	6,566	75,366
12/12/12	2013-2032	3.000 - 5.000	193,000	180,000	20,228	200,228
12/13/12	2013-2042	0.416 - 3.739	246,077 **	238,928	-	238,928
02/20/14	2016-2034	3.000 - 5.000	140,000	139,000	9,676	148,676
06/26/14	2015-2020	4.000 - 5.000	39,530 *	29,635	2,049	31,684
07/15/14	2015-2025	3.000 - 4.500	48,235 *	48,230	5,009	53,239
12/23/14	2015-2038	2.000 - 5.000	116,000	116,000	18,930	134,930
06/30/15	2016-2027	2.000 - 5.000	69,130 *	69,130	11,659	80,789
03/08/16	2018-2036	5.000 - 5.000	112,000	112,000	24,160	136,160
			<u>1,961,467</u>	<u>1,550,668</u>	<u>112,375</u>	<u>1,663,043</u>

Bond Anticipation Notes

06/03/16	2016-2017	0.025 - 0.460	99,900	99,800	-	99,800
			<u>99,900</u>	<u>99,800</u>	<u>-</u>	<u>99,800</u>

Total General Obligation Debt

<u>\$ 2,061,367</u>	<u>\$ 1,650,468</u>	<u>\$ 112,375</u>	<u>\$ 1,762,843</u>
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Certificates of Participation

08/12/08	2009-2018	3.250 - 5.000	\$ 34,700	\$ 13,500	\$ 154	\$ 13,654
06/19/12	2013-2022	3.000 - 5.000	78,430	61,000	5,413	66,413
02/06/13	2013-2021	1.500 - 3.000	11,830 *	8,165	334	8,499
Total Certificates of Participation			<u>\$ 124,960</u>	<u>\$ 82,665</u>	<u>\$ 5,901</u>	<u>\$ 88,566</u>

Loan Payable

08/15/13	2014-2021	7.875 - 7.875	\$ 18,617	\$ 10,038	\$ -	\$ 10,038
Total Loan Payable			<u>\$ 18,617</u>	<u>\$ 10,038</u>	<u>\$ -</u>	<u>\$ 10,038</u>

* Refunding issue

** Taxable Issue

BALTIMORE COUNTY, MARYLAND
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Business-type Activities:
(in thousands)

General Obligation Debt:

Bonds

Dated	Original Maturity Range	Interest Rate Range	Issue Amount	Balance 6/30/2016	Unamortized Premium	Carrying Value 6/30/2016
03/22/00	2001-2020	2.600 - 2.600	14,417	3,644	-	3,644
06/22/01	2003-2022	2.300 - 2.300	14,105	5,128	-	5,128
06/26/02	2004-2023	2.000 - 2.000	7,006	2,500	-	2,500
03/11/03	2004-2023	1.100 - 1.100	8,638	3,217	-	3,217
07/16/04	2005-2025	1.200 - 1.200	8,501	2,334	-	2,334
09/12/05	2006-2024	1.000 - 1.000	21,146	9,277	-	9,277
09/27/06	2007-2036	4.000 - 5.000	89,000	3,000	6	3,006
07/31/07	2008-2027	1.000 - 1.000	16,794	10,004	-	10,004
01/03/08	2009-2038	4.250 - 5.000	200,000	14,000	188	14,188
02/24/09	2009-2018	3.000 - 5.000	24,515 *	8,530	106	8,636
11/10/09	2010-2039	0.650 - 5.600	106,600	85,000	189	85,189
12/18/09	2011-2032	1.000 - 1.000	15,625	13,040	-	13,040
08/10/10	2011-2030	2.000 - 4.500	61,720 *	60,785	2,735	63,520
11/09/10	2012-2018	2.000 - 5.000	30,100	12,900	295	13,195
11/09/10	2019-2040	2.000 - 5.050	93,900	93,900	-	93,900
11/30/11	2013-2042	3.000 - 5.000	85,000	73,400	4,079	77,479
05/31/12	2014-2032	1.800 - 1.800	43,161	38,506	-	38,506
12/12/12	2013-2032	2.250 - 5.000	18,005	8,250	56	8,306
12/12/12	2013-2042	2.000 - 5.000	60,000	54,000	1,933	55,933
12/13/12	2015-2042	0.416 - 3.739	10,213 **	9,957	-	9,957
09/10/13	2013-2034	2.200 - 2.200	8,465	7,583	-	7,583
02/20/14	2016-2034	3.000 - 5.000	60,000	57,900	2,539	60,439
02/20/14	2015-2020	4.000 - 5.000	30,325 *	28,725	1,580	30,305
06/26/14	2015-2020	4.000 - 5.000	20,790 *	13,670	971	14,641
07/15/14	2015-2025	3.000 - 4.500	26,370 *	26,365	2,265	28,630
12/23/14	2015-2038	2.000 - 5.000	84,000	81,200	13,834	95,034
06/30/15	2016-2017	2.000 - 5.000	101,765 *	101,765	11,927	113,692
09/25/15	2016-2035	1.600 - 1.600	18,077	21,083	-	21,083
03/08/16	2017-2038	2.000 - 4.000	65,705 *	65,705	1,421	67,126
03/08/16	2017-2046	5.000 - 5.000	88,000	88,000	17,358	105,358
			<u>1,431,943</u>	<u>1,003,368</u>	<u>61,482</u>	<u>1,064,850</u>

Bond Anticipation Notes

06/01/16	2016-2017	0.020 - 0.480	99,500	99,300	-	99,300
			<u>99,500</u>	<u>99,300</u>	<u>-</u>	<u>99,300</u>

Total General Obligation Debt	<u>\$ 1,531,443</u>	<u>\$ 1,102,668</u>	<u>\$ 61,482</u>	<u>\$ 1,164,150</u>
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Certificates of Participation

08/12/08	2009-2018	3.250 - 5.000	\$ 2,000	\$ 600	\$ 7	\$ 607
06/19/12	2013-2022	3.000 - 5.000	4,250	2,975	293	3,268
Total Certificates of Participation			<u>\$ 6,250</u>	<u>\$ 3,575</u>	<u>\$ 300</u>	<u>\$ 3,875</u>

* Refunding issue

** Taxable issue

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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The following is a schedule of the primary government's debt service payments for certain long-term debt as of June 30, 2016:

Fiscal Year Ended June 30	Governmental Activities					
	General Obligation Debt		COPs & Other Long-term Debt		Total Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 194,172	\$ 55,086	\$ 19,602	\$ 4,199	\$ 213,774	\$ 59,285
2018	100,275	56,235	20,026	3,105	120,301	59,340
2019	99,757	56,254	14,840	2,178	114,597	58,432
2020	96,943	51,895	10,370	1,582	107,313	53,477
2021	95,229	47,627	10,410	1,089	105,639	48,716
2022-2026	463,748	176,535	17,455	822	481,203	177,357
2027-2031	358,080	88,412	-	-	358,080	88,412
2032-2033	158,020	24,844	-	-	158,020	24,844
2037-2041	57,878	10,502	-	-	57,878	10,502
2042-2046	26,366	995	-	-	26,366	995
Total	<u>\$ 1,650,468</u>	<u>\$ 568,385</u>	<u>\$ 92,703</u>	<u>\$ 12,975</u>	<u>\$ 1,743,171</u>	<u>\$ 581,360</u>

Fiscal Year Ended June 30	Business-type Activities					
	General Obligation Debt		COPs		Total Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 151,734	\$ 33,397	\$ 625	\$ 163	\$ 152,359	\$ 33,560
2018	52,642	31,864	625	132	53,267	31,996
2019	52,913	33,265	625	101	53,538	33,366
2020	50,292	34,997	425	74	50,717	35,071
2021	50,179	33,446	425	53	50,604	33,499
2022-2026	219,016	139,319	850	43	219,866	139,362
2027-2031	206,916	94,446	-	-	206,916	94,446
2032-2033	164,985	54,256	-	-	164,985	54,256
2037-2041	114,392	21,996	-	-	114,392	21,996
2042-2046	39,599	4,062	-	-	39,599	4,062
Total	<u>\$ 1,102,668</u>	<u>\$ 481,048</u>	<u>\$ 3,575</u>	<u>\$ 566</u>	<u>\$ 1,106,243</u>	<u>\$ 481,614</u>

BALTIMORE COUNTY, MARYLAND
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9. COMMITMENTS:

Leases

The following is a schedule by years of future minimum rental payments for facilities and equipment under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2016 (in thousands):

Year ending June 30	Primary Government	Component Units
2017	\$ 581	\$ 38,645
2018	390	38,142
2019	348	31,267
2020	269	18,206
2021	106	2,651
2022-2026	202	8,268
2027-2031	116	1,977
2032-2033	99	-
2037-2041	44	-
2042-2046	<u>\$ 2,155</u>	<u>\$ 139,156</u>

The total rental expenditures for the year ended June 30, 2016, for all leases except those with terms of a month or less that were not renewed were approximately \$8.2 million for the primary government and \$31.4 million for the component units.

Contracts and Commitments

Contract commitments in the Consolidated Public Improvement Construction Fund, the Metropolitan District Enterprise Fund, and the Gifts and Grants Fund amounted to approximately \$77.4 million, \$122.3 million, and \$6.8 million, respectively, at June 30, 2016. Such amounts will be funded by future bond proceeds, approved federal and state grants, and future assessments.

10. LITIGATION:

The County is a defendant in various suits claiming damages for personal injury and property damage in automobile and general liability cases, and various personnel actions. In addition, there are various other tort suits alleging violations of individual civil rights pending against the County as well as miscellaneous other litigation, mostly contract claims. Amounts claimed in some of these matters are substantial. In the opinion of the County Attorney, the County should prevail in most of said various tort suits, suits alleging violations of individual civil rights and in miscellaneous other litigation (although the outcome of litigation cannot be predicted with certainty). It is the further opinion of the County Attorney that the likelihood of the County incurring aggregate liability arising from such litigation in an amount that would be material in relation to its financial position is remote.

Litigation against the Employees' Retirement System of Baltimore County is addressed in its separate Comprehensive Annual Financial Report (CAFR). See note 13 for CAFR availability.

11. CONTINGENCIES:

The County receives significant financial assistance from the U. S. Government and the State of Maryland in the form of grants. Entitlement to grant resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal and state regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits in accordance with grantor

BALTIMORE COUNTY, MARYLAND
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requirements. Any disallowances as a result of these audits become a liability of the County. The County estimates that no material liabilities will result from such audits.

The County is contingently liable for loans guaranteed in the Gifts & Grants Fund that aggregate approximately \$0.849 as of June 30, 2016. A restriction of fund balance has been made for this amount.

12. RISK MANAGEMENT:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident; and natural disasters. The County manages its risks internally and sets aside assets for claims settlement in an Internal Service Fund, the Self-Insurance Program Fund (SIPF). The County services all claims for risk of loss to which the County is exposed except as noted below. The SIPF allocates County claims payments by charging a "premium" to each fund, or component unit, based on the actuarially determined liability and SIPF net assets.

The County purchases commercial insurance for claims that exceed 120% of projected health care claims and associated administrative expenses, and for real and personal property losses subject to policy deductibles. Settled claims have not exceeded this commercial health care excess coverage for the past three fiscal years.

SIPF liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Since actual claim liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing claim liability results in an estimate. Certain liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their actual value and are not discounted.

Changes in the balances of claim liabilities during fiscal years 2015 and 2016 were as follows (in thousands):

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2015	51,549	275,668	(272,290)	54,927
2016	54,927	290,845	(287,475)	58,297

13. BENEFIT PLANS (in thousands):

Employees' Retirement System

Plan Description: The Employees' Retirement System of Baltimore County (the "System") is a cost-sharing multiple-employer defined benefit public employee retirement system that acts as a common investment and administrative agent serving five entities including the County and certain employees of the Baltimore County Board of Education, Baltimore County Board of Library Trustees, the Community College of Baltimore County and the Baltimore County Revenue Authority. The System is not an employer. The System provides retirement and disability benefits, cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and maintain the System is specified in Section 5-1-101 of the Baltimore County Code (the "Code").

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On October 15, 2012, the County Council passed Bill No. 65-12 that formally closed the System for members hired prior to July 1, 2007, now known as members of "Plan A". Members hired on or after July 1, 2007 are considered members of "Plan B". Plan A and Plan B are unitized plans of the System. The System is considered part of the County's reporting entity and its financial statements are included in the County's basic financial statements as a benefit trust fund. Separate Plan A and Plan B financial statements are included in the combining fiduciary fund statements in the supplementary information section of this report. The County is obligated for the payment of all pensions, annuities, retirement allowances, refunds, reserves and other benefits. The System is fiscally dependent on the County by virtue of the legislative and executive controls exercised with respect to its operations, policies and administrative budget. In accordance with Section 5-1-238 of the Code, responsibility for the proper operation of the System is vested in an eight-member Board of Trustees (the "Board"), the majority of which are appointed by the County Executive. The general administration of the System is vested in the Director of Budget and Finance.

The System issues a separately prepared Comprehensive Annual Financial Report that includes financial statements, note disclosures and required supplementary information. The report may be obtained by writing to the Office of Budget and Finance, Mezzanine, Historic Court House, 400 Washington Avenue, Towson, Maryland 21204, or online at <http://www.baltimorecountymd.gov>.

Funding Policy: Per Section 5-1-203 of the County Code, contribution requirements of the plan members and the participating employers are established and may be amended by the Board. System members contribute a percentage of their salary to the System. The contribution rates for members hired prior to July 1, 2007 are actuarially determined based on the member's age at enrollment and employee classification. Contribution rates for members hired on or after July 1, 2007 are fixed based on employee classification.

Participating employers are required to make contributions on an actuarially determined basis. Level percentages of payroll employer contribution rates are determined using the projected unit credit actuarial funding method. The employer contributions to the System for the fiscal years ended June 30, 2016, 2015 and 2014, were \$105,742, \$108,191, \$80,453, respectively, which were equal to or greater than the required contributions for each year. The primary government's contributions for the three aforementioned fiscal years were \$96,042, \$98,315, and \$73,586, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability: At June 30, 2016 the County reported a liability of \$1,315,135 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all the participating agencies, actuarially determined. At June 30, 2016 the County's proportion was 90.45 percent.

There have been no changes in the benefit terms that would affect the measurement of the total pension liability since the last measurement date.

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NOTES TO BASIC FINANCIAL STATEMENTS
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Pension Expense: For the year ended June 30, 2016 the County recognized pension expense of \$138,225. At June 30, 2016 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ 54,855	\$ 8,465
Changes in assumptions	14,340	-
Net difference between projected and actual earnings on pension plan investments	109,432	91,409
Changes in proportion and differences between County contributions and proportionate share of contributions	-	15,996
County contributions subsequent to the measurement date	96,042	-
Total	<u>\$ 274,669</u>	<u>\$ 115,870</u>

Deferred outflows of \$96,042 are reported as resources related to pensions resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 15,657
2018	15,657
2019	15,658
2020	26,073
Thereafter	(10,288)

Actuarial Assumptions: The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3 percent
Salary increases	Rates vary by participant service.
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Actuarial cost method	Entry Age Normal
Asset valuation method	Ten-year moving market

BALTIMORE COUNTY, MARYLAND
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Mortality rates were based on RP-200 Combined Mortality Table for males and females, as appropriate, with adjustments for mortality improvements based on Scale AA. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2006 through June 30, 2011. As a result of this experience study the following actuarial assumptions and method changes were made:

- Salary increase assumptions were updated to reflect recent experience and long-term anticipated inflation.
- The mortality tables for health and disabled pensioners were updated to reflect future expected increases in life expectancy.
- The rates of withdrawal from active service due to termination of employment, death and accidental death, ordinary disability, and accidental disability were updated to reflect recent plan experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015 are summarized in the table below:

Schedule of Long-term expected rate of return.

Asset Class	Long-Term Expected Rate of Return	Target asset Allocation
Cash	0.00%	0.00%
Large Cap Equities	4.25%	15.00%
Small/Mid Cap Equities	4.50%	7.00%
International Equities (Unhedged)	4.75%	10.00%
Emerging International Equities	6.00%	7.00%
Core Bonds	0.73%	11.00%
High-Yield Bonds	2.50%	1.00%
EMD (Local Currency)	3.50%	4.00%
Diversified Fixed Income	2.04%	10.00%
Private Equity	6.25%	5.00%
Real Estate (Core)	3.25%	4.00%
Hedge Funds	3.50%	6.00%
Global Asset Allocation	3.89%	10.00%
Risk Parity	3.56%	5.00%
Commodities	2.50%	5.00%

Discount Rate: The discount rate used to measure the total pension liability was the funding valuation interest rate of 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate: The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 1,721,883	\$ 1,315,135	\$ 972,184

Pension Plan Fiduciary Net Position: Detail information about the System's fiduciary net position is available in its separately issued financial report.

Police, Fire and Widows' Pension Plan

Plan Description: The County administers the Police, Fire, and Widow's Pension Plan (Pension Plan) which is a single-employer defined benefit pension plan that provides pensions for policemen and firemen hired prior to October 1, 1959 and for their widows. The Pension Plan has been closed and frozen. The Pension Plan valuation was based on the plan provisions as described in the Baltimore County Code for Pensions and Retirements, Article III for Fire and Police Departments, Section 23-141 through Section 23-204. The pension allowance for retired firefighters and police officers is one-half of the salary of a current employee with the same rank the pensioner held at the time of his retirement. The pension allowance to a widow of a deceased pensioner is one-fourth of the base salary of an active member of the County Police and Fire departments.

Funding Policy: The County intends to fund the Pension Plan on a pay-as-you-go basis if Pension Plan assets are depleted. Management of the Pension Plan is vested in an eight-member Board of Trustees, comprised of ex-officio and elected representatives. The general administration of the Pension Plan is vested in the Director of Budget and Finance.

At June 30, 2015, pension plan membership consisted of 230 inactive plan members or beneficiaries currently receiving benefits with no other inactive members or beneficiaries entitled to receive benefits.

Investments: For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability: At June 30, 2016, the County reported a liability of \$20,180 for the Pension Plan. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability of the County at June 30, 2016, were as follows:

Total pension liability	\$ 59,208
Plan fiduciary net position	(39,028)
County's net pension liability	<u>\$ 20,180</u>

Plan fiduciary net position as a percentage of the total pension liability	65.92%
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BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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Actuarial Assumptions: The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	Not applicable
Investment rate of return	4.09% blended rate
Health Mortality	RP-2000 projected by Scale AA.
Cost of living adjustments	3.0%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the table below.

Schedule of Long-term expected rate of return

Asset Class	Long-Term Expected Rate of Return
Domestic equity	4.25%
International equity	4.75%
Fixed Income	0.73%
Cash	0.00%

Discount Rate: The discount rate used to measure the total pension liability was 4.09%. The projection of cash flows used to determine the discount rate assumed that County contributions will continue to follow the current funding policy. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members until the year 2021. A municipal bond rate of 3.73% was used in the development of the blended GASB discount rate after that point. The 3.73% rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2015. Based on the long-term rate of return of 5.00% and the municipal bond rate of 3.73%, the blended GASB discount rate would be 4.09%. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 67.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/15	\$ 68,726	\$ 45,184	\$ 23,542
Changes for the year:			
Interest	2,597	-	2,597
Differences between expected and actual experience	(3,272)	-	(3,272)
Changes of assumptions	(186)	-	(186)
Net investment income	-	2,486	(2,486)
Benefit payments, including refunds of member contributions	(8,657)	(8,657)	-
Other	-	15	(15)
Net Changes	<u>(9,518)</u>	<u>(6,156)</u>	<u>(3,362)</u>
Balances at 6/30/16	<u>\$ 59,208</u>	<u>\$ 39,028</u>	<u>\$ 20,180</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability, calculated using the discount rate of 4.09%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1.00% Decrease (3.09%)	Current Discount Rate (4.09%)	1.00% Increase (5.09%)
County's net pension liability	\$ 23,600	\$ 20,180	\$ 17,093

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense: For the year ended June 30, 2016, the County recognized pension expense of (\$3,173). At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 2,111
Total	<u>\$ -</u>	<u>\$ 2,111</u>

BALTIMORE COUNTY, MARYLAND
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The \$2,111 reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2017	\$	(648)
2018		(648)
2019		(648)
2020		(167)

The condensed financial statements as of and for the year ended June 30, 2016 are as follows:

Statement of Fiduciary Net Position
Police, Fire, and Widows' Pension Plan
As of June 30, 2016

Assets

Cash and cash equivalents	\$	204
Investment securities		31,638
Interest and dividends receivable		9
Total assets		<u>31,851</u>

Liabilities

Accounts payable		<u>2</u>
Total liabilities		<u>2</u>

Net position restricted for pensions	\$	<u><u>31,849</u></u>
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Statement of Changes in Fiduciary Net Position
Police, Fire and Widows' Pension Plan
For the year ended June 30, 2016

Additions

Contributions:		
Other	\$	14
Total contributions		<u>14</u>
Investment earnings:		
Net decrease in the fair value of plan assets		(4,663)
Interest and dividends		5,711
Investment expenses		(31)
Net investment gain		<u>1,017</u>
Total additions		<u>1,031</u>

Deductions

Benefits		<u>8,210</u>
Total deductions		<u>8,210</u>
Net decrease in net position		<u>(7,179)</u>

Net position restricted for pensions

Beginning of the year		39,028
End of the year	\$	<u><u>31,849</u></u>

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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Other Pension Plans

The County provides supplemental pension benefits through General Fund appropriations to certain judges, judges' widows and families of members of volunteer fire and ambulance companies killed in the line of duty. The respective costs and related net pension liability of these plans are not significant.

Substantially all employees of the component units who do not participate in the System participate in the State of Maryland Teachers' Retirement and Pension Systems. Employer contributions to these systems for the years ended June 30, 2016, 2015, 2014, of approximately \$93,240, \$95,460 and \$94,400, respectively, were made directly by the State of Maryland on behalf of the component units according to State statute. The contributions have been recognized as a revenue and an expense in the component unit statement of activities. Additionally, some professional employees of the Community College participate in an optional private retirement system.

14. OTHER POST EMPLOYMENT BENEFIT PLAN:

Plan Description and Contribution Information

Plan Description: The County's Other Post Employment Benefit Plan (OPEB Plan) is an agent multiple-employer defined benefit postemployment healthcare plan that covers retired employees of the primary government, the Baltimore County Board of Education, the Community College of Baltimore County, the Board of Library Trustees for Baltimore County and the Baltimore County Revenue Authority. The OPEB Plan was established and is maintained by the County as a trust fund as specified in Article 10, Title 14 of the County Code. The trust fund is included in these financial statements as an Other Post Employment Benefits Trust Fund. Separate financial statements are not issued for the OPEB Plan. The OPEB Plan provides healthcare and life insurance benefits to eligible retirees and their beneficiaries who receive retirement benefits either from the Employees' Retirement System of Baltimore County under Article 5, Title 1 of the County Code or the State Retirement and Pension System of Maryland. Retiree benefits are in accordance with bargaining unit agreements negotiated between each employer's governing body/board and each employee's representative labor organization. At June 30, 2016, the date of the latest available valuation, the OPEB Plan covered a projected 32,662 members; 19,176 active plan members and 13,486 retirees receiving benefits.

Contributions: Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward healthcare based on their hire date, years of active service, the medical plan chosen and whether they are Medicare eligible (age 65). The County receives Prescription Drug Plan reimbursements on Medicare eligible retirees. Each employer is required to contribute its annual OPEB cost (AOC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. Article 10, Title 14 of the County Code gives the Director of Budget and Finance the authority to determine the annual contribution to the trust fund based on the results of the actuarial valuation of the AOC. The AOC was calculated based on the ARC and the net OPEB liability. The following table shows the components of the AOC for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation (in thousands):

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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	All Employers	The County
Annual required contribution (ARC)	\$ 106,599	\$ 51,116
Interest on net OPEB liability	13,010	11,958
Adjustment to ARC	(12,242)	(11,253)
Annual OPEB cost (expense)	107,367	51,821
Contributions made	(86,970)	(40,435)
Increase (decrease) in net OPEB liability	20,397	11,386
Net OPEB obligation beginning of year	185,854	170,831
Net OPEB obligation end of year	<u>\$ 206,251</u>	<u>\$ 182,217</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year 2016 and the two preceding fiscal years were as follows (dollars in thousands):

Fiscal Year Ended June 30	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	117,439	95.53	197,184
2015	105,067	110.78	185,854
2016	107,367	81.00	206,251

Funded Status and Funding Progress

The funded status of the OPEB Plan as of the most recent actuarial valuation date is as follows (dollars in thousands):

Schedule of Funding Progress

Actuarial Valuation Date June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2016	\$ 434,839	\$ 1,571,367	\$ 1,136,528	27.67	\$1,277,980	88.93

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about future employment, mortality and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual OPEB cost of the employers are subject to continual revision as actuarial results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between employers and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of the assets, consistent with the long-term perspective of the calculations. An implicit subsidy amount is factored into the valuation for blended rates charged to retirees who should be contributing at rates much higher than active employees.

BALTIMORE COUNTY, MARYLAND
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The June 30, 2016 actuarial valuation used the projected unit credit method under which the benefits of each individual included in an actuarial valuation are allocated by a consistent formula to all valuation years. The method used to determine the actuarial value of assets was fair value. The actuarial assumptions applied were future salary increases of 3% per year and the interest was assumed to have a discount rate of 7.0%. The discount rate is the rate used to determine the present value of the future cash flows. The unfunded actuarial accrued liability is being amortized over a period of 30 years on a closed basis using level percentage of projected payroll. The remaining amortization period at June 30, 2016 was twenty-one years. The initial medical trend assumption is 4.5% decreasing gradually to an ultimate rate of 3.9% after 2077. The medical trend assumption was developed using the Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions. The following assumptions were used as input variables into this model:

Rate of inflation	2.4%
Rate of growth in real income/GDP per Capita	1.5%
Extra trend due to technology and other factors	1.0%
Health share of GDP resistance point	25.0%
Year for limiting cost growth to GDP growth	2075

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

The condensed financial statements as of and for the year ended June 30, 2016 are as follows (in thousands):

Statement of Net Position
OPEB Plan
As of June 30, 2016

Assets	
Cash and cash equivalents	\$ 6,459
Investments, at fair value	388,430
Collateral for loaned securities (net of unrealized loss)	4,202
Receivables:	
Accrued interest & dividend income	358
Receivable for investments sold	2,788
Receivables other	2,126
Total assets	<u>404,363</u>
Liabilities	
Payable for collateral for loaned securities	4,202
Investments purchased	3,343
Other	919
Total liabilities	<u>8,464</u>
Net position	
Net position restricted for benefits	<u>\$ 395,899</u>

Statement of Changes in Net Position
OPEB Plan
For the year ended June 30, 2016

Additions	
Contributions:	
Employer	\$ 86,970
Employee	34,774
On-behalf	18,505
Total contributions	<u>140,249</u>
Investment earnings:	
Net decrease in the fair value of plan assets	(10,731)
Interest and dividends	7,541
Securities lending net income	49
Investment expenses	(2,816)
Net investment gain	<u>(5,957)</u>
Total additions	<u>134,292</u>
Deductions	
Benefits	145,832
Administrative expenses	-
Total deductions	<u>145,832</u>
Change in net position	(11,540)
Net position at beginning of the year	407,439
Net position at end of the year	<u>\$ 395,899</u>

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

15. INDIVIDUAL FUND DISCLOSURES:

Details of Fund Balances

The details of the Governmental Funds balances at June 30, 2016 are shown as follows (in thousands):

	General	Gifts and Grants	Consolidated Public Improvement Construction	Nonmajor Governmental Fund	Total Governmental Funds
Fund balances					
Nonspendable:					
Inventories	\$ 7,489	\$ -	\$ -	\$ -	\$ 7,489
Total Nonspendable	7,489	-	-	-	7,489
Restricted for:					
Equipment financing	3,991	-	-	-	3,991
Bond escrow	1,203	-	-	-	1,203
Loans, guarantees and grants	-	28,828	-	-	28,828
In lie fee arrangements	-	-	12,616	-	12,616
Total Restricted	5,194	28,828	12,616	-	46,638
Assigned to:					
Encumbrances for:					
Contractual services	1,293	-	-	-	1,293
Supplies & materials	885	-	-	-	885
Equipment & other	1,817	-	-	-	1,817
Imprest funds	75	-	-	-	75
Loans & grants	-	10,702	-	-	10,702
Subsequent year's expenditures	19,124	-	-	-	19,124
Retirement of long-term debt	34,540	-	-	-	34,540
Disputed taxes	25,427	-	-	-	25,427
Stormwater remediation	-	-	-	5,295	5,295
Liquor license regulation	-	-	-	92	92
Total Assigned	83,161	10,702	-	5,387	99,250
Unassigned:					
Revenue stabilization	93,107	-	-	-	93,107
Other	146,421	-	(164,685)	-	(18,264)
Total Unassigned	239,528	-	(164,685)	-	74,843
Total fund balances(deficit)	\$ 335,372	\$ 39,530	\$ (152,069)	\$ 5,387	\$ 228,220

Deficit Fund Balance

At June 30, 2016, the Consolidated Public Improvement Construction Fund had an unassigned fund deficit of \$164.685 million. This deficit will be eliminated by pay-as-you-go contributions from the General Fund and from bond proceeds.

16. NEW ACCOUNTING PRONOUNCEMENTS:

The County has adopted the provisions of Governmental Accounting Standard Board (GASB) *Statement No. 72, Fair Value Measurement and Application*; *Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statement 67 and 68*; *Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and *Statement No. 79, Certain External Investment Pools and Pool Participants*. Changes affected by these standards are reflected in the County's financial statements.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

17. SUBSEQUENT EVENTS:

Taxable General Obligation Pension Funding Bonds

On August 3, 2016, the County settled the issuance of \$150 million Taxable General Obligation Pension Funding Bonds – 2006 Series. The Bonds are being issued to fund the present value of the increased liabilities of the portion of the Employees' Retirement System of Baltimore County closed to new membership effective as of July 1, 2007 (the "System – Plan A") resulting from the reduction of the valuation rate by the Board of Trustees of the System from 6.75% to 6.375%. The proceeds of the Bonds are expected to be used to purchase investments for the benefit of the Pension Plan and to pay the underwriter's discount and the cost of issuance of the Bonds.

The bonds are due July 1, in each of the years 2017 to 2036, inclusive, and 2046. The interest rate range from 0.600% to 3.088%. The Bonds are subject to redemption as a whole or in part, at any time, in any order of maturities, at the option of the County. The bonds maturing July 1, 2046 are subject to mandatory sinking fund redemption in each of the years 2037 through 2046 inclusive.

Certificates of Participation

The County entered into a ten-year conditional equipment purchase agreement on September 27, 2016. The equipment consists of the acquisition of (i) heavy equipment and vehicles for use primarily in the County's public works department, (ii) fire trucks, medic units, and public safety equipment, and (iii) information technology hardware for various departments including 911 equipment. The conditional purchase agreement was financed through the sale of certificates of participation in the aggregate principal of \$63,715,000. The certificates of participation are due October 1, in each of the years 2017 to 2026, inclusive, and bear a true interest cost of 1.58%.





Required Supplementary Information

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Employees' Retirement System (dollars in thousands):

**Schedule of the County's Proportionate Share of the
Net Pension Liability and Related Ratios**

	<u>2016</u>	<u>2015</u>
County's proportionate share of the net pension liability	90.45%	91.96%
County's proportionate share of the net pension liability	\$ 1,315,135	\$ 1,088,771
County's covered employee payroll	\$ 418,026	\$ 411,453
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	314.61%	264.62%
Plan fiduciary net position as a percentage of the total pension liability	62.8%	68.2%

Notes to the Schedule:

The amounts presented for fiscal year 2016 were determined as of July 1 of two years prior, using membership data as of that day, projected to June 30 of the previous year. Additionally, the County implemented GASB 68 during fiscal year 2015. Therefore, only two years of information is available.

Schedule of County Contributions

The last 3 fiscal years are presented only

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 101,927	\$ 93,495	\$ 73,586
Contributions in relation to the actuarially determined contribution	97,108	93,495	73,586
Prefunding of the FY 2016 contribution in FY 2015	-	4,819	-
Contribution deficiency (excess)	<u>\$ 4,819</u>	<u>\$ (4,819)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 435,266	\$ 418,026	\$ 411,453
Contributions as a percentage of covered employee payroll	22.31%	23.52%	17.88%

Notes to the Schedule:

Valuation date: Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year. Actuarial valuations are performed every year.

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Methods and assumptions used to determine contribution:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll
Amortization period	30 year layered amortization
Asset valuation method	10-year smoothed market
Inflation	3.0%
Salary increases	Rates vary by participant age and service
Investment rate of return	7.0%, net of investment expense and gain sharing, and including inflation
Retirement age	Rates vary by participant age and service
Mortality	For healthy participants and beneficiaries: For males 108% of the RP-2000 Combined Healthy male table projected to 2027 by Scale AA and for females 100% of the RP-2000 Combined Healthy female table projected to 2027 by Scale AA. For disabled members, RP-2000 Disabled Annuitant Tables projected to 2027 with Scale AA.

Police, Fire and Widow's Pension Plan (dollars in thousands):

The following schedules are presented for three years. Additional years will be presented as the information becomes available.

Schedule of Changes in County's Net Pension Liability and Related Ratios

	2015	2014
Total pension liability		
Interest	\$ 2,597	\$ 3,341
Differences between expected and actual experience	(3,272)	-
Changes of assumptions	(186)	3,425
Benefit payments	(8,657)	(9,622)
Net change in total pension liability	(9,518)	(2,856)
Beginning total pension liability	68,726	71,582
Ending total pension liability: (a)	<u>\$ 59,208</u>	<u>\$ 68,726</u>
Plan fiduciary net position		
Net investment income	2,486	4,671
Benefit payments	(8,657)	(9,622)
Other income	15	14
Net change in plan fiduciary net position	(6,156)	(4,937)
Beginning Plan fiduciary net position	45,184	50,121
Ending Plan fiduciary net position: (b)	<u>\$ 39,028</u>	<u>\$ 45,184</u>
Ending County's net pension liability: (a) - (b)	<u>\$ 20,180</u>	<u>\$ 23,542</u>
Plan fiduciary net position as a percentage of the total pension liability	65.92%	65.74%
Covered-employee payroll	Not applicable	Not applicable
Net pension liability as a percentage of covered-employee payroll	Not applicable	Not applicable

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Schedule of County Contributions

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	Not calculated	Not calculated
Contributions related to the actuarially determined contribution	\$ -	\$ -
Contribution deficiency (excess)	Not applicable	Not applicable

Note to Schedule:

County contributions were not calculated because the Pension Plan has been closed since October 1, 1959 and the County intends to fund the Pension Plan on a pay-as-you-go basis if the Pension Plan assets are depleted. Also, the number of pension recipients was considered insignificant and the recipients' ages are at the higher end of the mortality tables.

Schedule of Investment Returns

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses	5.70%	10.31%

OPEB Plan (dollars in thousands):

Three year historical trend information about the OPEB Plan will be presented herewith as required supplementary information. This information is intended to help users assess the OPEB Plan's funding status on a going concern basis, assess progress made in accumulating assets to pay benefits when due and make comparisons with other public employee retirement systems' OPEB Plans.

Actuarial Valuation Date June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2014	293,659	1,649,039	1,355,380	17.81	1,230,416	110.16
2015	378,135	1,522,538	1,144,403	24.83	1,247,241	91.75
2016	434,839	1,571,367	1,136,528	27.67	1,277,980	88.93

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Schedule of Employers' Contributions

<u>Fiscal Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2014	116,399	96.38
2015	103,893	112.03
2016	106,599	81.59





Supplementary Information Schedules & Combining Financial Statements

The schedules provide selected budgetary information concerning the General Fund, the Stormwater Management Fund and the Liquor License Fund. The combining financial statements provide detailed information concerning financial position and results of operations for the Internal Service funds and Fiduciary funds.

Baltimore County
Schedule of Appropriations and Expenditures - Budgetary Basis
For the Year Ended June 30, 2016
(In Thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Legislative:				
County Council	\$ 2,219	\$ 2,219	\$ 2,045	\$ 174
Judicial:				
Circuit Court:				
Criminal and civil adjudication	4,732	4,732	4,597	135
Orphans Court:				
Adjudication of estates	229	229	222	7
States Attorney:				
Criminal prosecution	8,613	8,613	8,367	246
County Sheriff:				
Conveying prisoners and serving summonses	5,096	5,096	5,087	9
Total	18,670	18,670	18,273	397
Executive:				
Office of the County Executive	1,060	1,060	1,056	4
County Administrative Officer:				
General administration	1,449	1,449	1,425	24
Baltimore metropolitan council	146	146	146	-
Total	2,655	2,655	2,627	28
Elections:				
Board of Supervisors of Elections	5,250	5,250	4,647	603
Financial Administration:				
Office of Budget and Finance:				
Budget formulation and administration	1,288	1,278	1,269	9
Financial operations	4,172	4,172	4,170	2
Pay systems	249	224	193	31
Investment and debt management	379	379	375	4
Insurance administration	1,018	1,053	1,046	7
Purchasing and disbursements	1,348	1,348	1,301	47
Total	8,454	8,454	8,354	100
County Auditor	1,602	1,602	1,358	244
Office of Law:				
General legal services	2,282	2,282	2,265	17
Legislative relations	313	313	297	16
Total	2,595	2,595	2,562	33
Other:				
Vehicle Operations and Maintenance	222	245	240	5
Office of Planning and Community Conservation				
General administration	2,175	2,174	2,024	150
Zoning commissioner	425	425	425	-
People's counsel	191	192	192	-
Community conservation	523	523	523	-
Office of Human Resources:				
Personnel administration	3,717	3,717	3,549	168

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - Budgetary Basis
For the Year Ended June 30, 2016
(In Thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Department of Permits and Development Management:				
General administration	1,615	1,603	1,570	33
Electrical licensing and regulation	17	17	17	-
Plumbing licensing and regulation	29	29	27	2
Real estate compliance	876	876	859	17
Development processing	951	951	928	23
Code inspections and enforcement	4,648	4,648	4,611	37
Permits and licenses	754	766	759	7
Board of Appeals	225		228	-
Cooperative Extension Service	259	259	239	20
Office of Information Technology:				
General administration	2,965	3,040	3,033	7
Applications development	8,928	8,798	8,795	3
Computer and technical services	10,801	10,826	10,822	4
Telecommunications Services	3,269	3,299	3,292	7
Property Management				
Administration	1,261	1,286	1,247	39
Building maintenance	8,437	8,437	8,369	68
Building operation and management	17,065	17,065	14,855	2,210
Maintenance of grounds and recreation sites	7,166	7,141	6,967	174
Total	76,519	76,545	73,571	2,974
General Government Total	117,964	117,990	113,437	4,553
Public Safety:				
Police Department:				
General administration	3,672	3,672	3,669	3
Administrative & technical services	24,332	24,332	24,323	9
Criminal/forensic investigations	23,627	23,627	23,595	32
Vice/intelligence/narcotics	8,918	8,918	8,893	25
Patrol/precincts	118,749	118,749	118,723	26
Support operations	14,381	14,381	14,316	65
Human resources	3,473	3,473	3,338	135
School safety	1,362	1,362	1,298	64
Total	198,514	198,514	198,155	359
Bureau of Corrections:				
Custodial care of prisoners	35,868	36,168	36,160	8
Fire Department:				
General administration	993	1,039	1,039	-
Investigative services	1,755	1,767	1,766	1
Alarm and communication system	976	963	962	1
Field operations	79,583	79,819	79,809	10
Office of emergency preparedness	167	150	147	3
Field operation administration	1,443	1,403	1,394	9
Fire/rescue academy	1,249	1,124	1,108	16
Contributions - volunteer fire companies	7,481	7,382	7,375	7
Total	93,647	93,647	93,600	47

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - Budgetary Basis
For the Year Ended June 30, 2016
(In Thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Communications:				
Central communications center	12,258	12,793	12,786	7
Public Safety Total	340,287	341,122	340,701	421
Public Works:				
Office of Director of Public Works:				
General administration	602	662	652	10
Metro Financing/Petition Proc	26	52	27	25
Total	628	714	679	35
Bureau of Engineering and Construction:				
General administration	372	387	360	27
Structural design	1,727	1,662	1,526	136
General surveying	374	354	328	26
Contracts and construction inspection	1,814	1,749	1,631	118
Total	4,287	4,152	3,845	307
Bureau of Highways & Equipment Management:				
General administration	769	769	748	21
General operations and maintenance	13,516	13,340	13,138	202
Storm emergencies	5,987	15,737	15,592	145
Total	20,272	29,846	29,478	368
Bureau of Solid Waste Management:				
General administration	476	521	488	33
Refuse collection	30,514	30,529	30,519	10
Refuse disposal	27,933	27,928	27,916	12
Recycling	1,726	1,746	1,719	27
Total	60,649	60,724	60,642	82
Bureau of Traffic Engineering and Transportation Planning:				
Traffic planning	9,632	9,282	9,102	180
Traffic sign installation and maintenance	1,500	1,500	1,476	24
Traffic signal operation and maintenance	946	946	853	93
Total	12,078	11,728	11,431	297
Bureau of Utilities:				
Sewer and water maintenance	574	574	574	-
Bureau of Building and Equipment Services:				
Equipment maintenance	6,383	6,883	6,883	-
Public Works Total	104,871	114,621	113,532	1,089

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - Budgetary Basis
For the Year Ended June 30, 2016
(In Thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health and Human Services:				
Health:				
Department of Health:				
General administration	2,700	2,810	2,799	11
Nursing services	2,937	2,847	2,762	85
Acute communicable disease control	1,293	1,199	1,177	22
Medical environmental health	2,305	2,620	2,564	56
Medical social work service	1,064	1,002	962	40
Animal services	3,151	3,466	3,431	35
Developmental disabilities	1,041	1,061	1,017	44
Home health services	1,671	1,641	1,636	5
Long-term care services	1,433	1,118	1,025	93
Medical assistance and hospital support	1,941	1,791	1,767	24
Dental health services	1,141	1,071	1,040	31
Speech, language and hearing	873	863	843	20
Total	21,550	21,489	21,023	466
Department of Environmental Protection and Resource Management	4,927	4,927	4,893	34
Human Services:				
Department of Social Services:				
Adult foster care assistance	145	143	135	8
Welfare to work program	400	400	400	-
Human relations	150	156	142	14
Emergency funds/housing for the homeless	850	810	792	18
Battered spouse program	127	127	127	-
Day Resource Center	183	180	176	4
In-home care program	219	235	175	60
Adult services	1,241	1,258	1,250	8
General administration	1,477	1,551	1,516	35
Children's services	478	478	475	3
Income maintenance	1,099	1,134	1,124	10
Family services	1,428	1,386	1,378	8
Total	7,797	7,858	7,690	168
Aging Programs & Services:				
Department of Aging:				
General administration	815	822	822	-
Adult medical day care	50	47	47	-
Senior centers network	1,977	1,995	1,992	3
Special geriatric services	187	187	186	1
Facilities	261	237	231	6
Transportation	833	853	853	-
Program and volunteer services	219	201	199	2
Total	4,342	4,342	4,330	12
Health and Human Services Total	38,616	38,616	37,936	680

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - Budgetary Basis
For the Year Ended June 30, 2016
(In Thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Culture and Leisure Services:				
Department of Recreation and Parks:				
General administration	920	920	916	4
Community & neighborhood recreation, organization, direction and development	9,964	9,964	9,498	466
Organization Contributions:				
Organization contributions	2,723	2,723	2,701	22
General grant program	5,555	5,555	5,192	363
Culture and Leisure Services Total	19,162	19,162	18,307	855
Economic and Community Development:				
Economic Development Commission	1,196	1,196	1,192	4
Economic and Community Development Total	1,196	1,196	1,192	4
Pension Plan Contributions:				
Employees' retirement contributions	92,328	92,328	92,328	-
Non-system retirement	269	270	270	-
Pension Total	92,597	92,598	92,598	-
Insurance Contributions				
Employee health & life insurance	126,606	126,606	126,447	159
Insurance Total	126,606	126,606	126,447	159
Miscellaneous:				
Social Security	17,836	17,834	17,776	58
Reserve for Contingencies	1,000	697	-	697
Local share - State & Federal	75	75	75	-
Miscellaneous Total	18,911	18,606	17,851	755
Payments to Component Units:				
Community College	41,428	41,428	41,428	-
Board of Education	789,656	789,656	788,619	1,037
Library	32,764	32,764	32,764	-
Payments to Component Units Total	863,848	863,848	862,811	1,037

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2016
(In Thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Debt Service:				
Principal retirement:				
General obligation bonds:				
Community College	4,520	4,520	4,520	-
General public facilities	44,937	44,937	44,937	-
Pension funding bonds	10,154	10,154	10,154	-
Non-general obligation debt	18,218	18,218	18,218	-
Total	<u>77,829</u>	<u>77,829</u>	<u>77,829</u>	<u>-</u>
Interest:				
General obligation bonds:				
Community College	3,645	3,645	3,441	204
General public facilities	26,459	25,902	25,357	545
Pension funding bonds	7,619	7,619	7,619	-
Non-general obligation debt	3,920	3,920	3,920	-
Total	<u>41,643</u>	<u>41,086</u>	<u>40,337</u>	<u>749</u>
Fiscal charges:				
General obligation bonds:				
General public facilities	675	675	523	152
Non-general obligation debt	10	10	3	7
Total	<u>685</u>	<u>685</u>	<u>526</u>	<u>159</u>
Debt Service Total	<u>120,157</u>	<u>119,600</u>	<u>118,692</u>	<u>908</u>
Operating Transfers Out:				
Contribution to capital budget	67,012	67,012	67,012	-
Contribution to capital budget - schools	34,373	34,373	34,373	-
Gifts and Grants	6,183	6,183	6,183	-
Operating Transfers Out Total	<u>107,568</u>	<u>107,568</u>	<u>107,568</u>	<u>-</u>
 General Fund Total	 <u>\$ 1,951,783</u>	 <u>\$ 1,961,533</u>	 <u>\$ 1,951,072</u>	 <u>\$ 10,461</u>

Baltimore County, Maryland
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016
(In Thousands)

Special Revenue Funds

	Liquor License	Owings Mills Tax District	Stormwater Management	Total
ASSETS				
Cash and investments	\$ 104	\$ -	\$ 5,233	\$ 5,337
Receivables, net	-	-	136	136
Total assets	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 5,369</u>	<u>\$ 5,473</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 3	\$ -	\$ 40	\$ 43
Accrued expenditures	9	-	34	43
Total liabilities	<u>12</u>	<u>-</u>	<u>74</u>	<u>86</u>
Fund Balance				
Assigned	92	-	5,295	5,387
Total fund balances	<u>92</u>	<u>-</u>	<u>5,295</u>	<u>5,387</u>
Total liabilities and fund balances	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 5,369</u>	<u>\$ 5,473</u>

Baltimore County, Maryland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016
(In Thousands)

	Special Revenue Funds			
	Liquor License	Owings Mills Tax District	Stormwater Management	Total
REVENUES				
Taxes	\$ -	\$ 1,172	\$ -	\$ 1,172
Licenses and fees	1,029	-	16,254	17,283
Charges for services	103	-	-	103
Interest revenue	-	-	82	82
Total revenues	1,132	1,172	16,336	18,640
EXPENDITURES				
General government	635	1,172	-	1,807
Health and human services	-	-	1,393	1,393
Total expenditures	635	1,172	-	3,200
Excess of revenues over expenditures	497	-	16,336	15,440
OTHER FINANCING USES				
Transfers out	(450)	-	(14,514)	(14,964)
Total other financing uses	(450)	-	(14,514)	(14,964)
Net change in fund balances	47	-	1,822	476
Fund balances at beginning of the year	45	-	4,866	4,911
Fund balances at end of the year	\$ 92	\$ -	\$ 6,688	\$ 5,387

Baltimore County, Maryland
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Liquor License Fund
For the Year Ended June 30, 2016
(In Thousands)

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses and permits	\$ 1,190	\$ 1,132	\$ (58)
Total revenues	<u>1,190</u>	<u>1,132</u>	<u>(58)</u>
Expenditures:			
General government:			
License sale and control	717	635	82
Total expenditures	<u>717</u>	<u>635</u>	<u>82</u>
Excess of revenues over expenditures	<u>473</u>	<u>497</u>	<u>24</u>
Other financing uses:			
Operating transfers out	(450)	(450)	-
Excess(deficiency) of revenues over expenditures, and other uses	<u>\$ 23</u>	<u>47</u>	<u>\$ 24</u>
Fund balance at beginning of year		45	
Fund balance at end of year		<u>\$ 92</u>	

Baltimore County, Maryland
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Stormwater Management Fund
For the Year Ended June 30, 2016
(In Thousands)

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Fees	\$ 16,322	\$ 16,254	\$ (68)
Interest revenue	-	82	82
Total revenues	<u>16,322</u>	<u>16,336</u>	<u>14</u>
Expenditures:			
General government:			
General administration	<u>1,808</u>	<u>1,731</u>	<u>77</u>
Total expenditures	<u>1,808</u>	<u>1,731</u>	<u>77</u>
Excess of revenues over expenditures	<u>14,514</u>	<u>14,605</u>	<u>91</u>
Other financing uses:			
Operating transfers out	<u>(14,514)</u>	<u>(14,514)</u>	<u>-</u>
Excess of revenues over expenditures, and other uses	<u>\$ -</u>	<u>91</u>	<u>\$ 91</u>
Net change during year in reserve for encumbrances		301	
Prior year encumbrance liquidation		37	
Fund balance at beginning of year		<u>4,866</u>	
Fund balance at end of year		<u>\$ 5,295</u>	

Baltimore County, Maryland
Combining Statement of Net Position
Internal Service Funds
June 30, 2016
(In Thousands)

	Vehicle Operations and Maintenance	Central Printing Service	Self-Insurance Program	Total
ASSETS				
Current assets:				
Cash and investments	\$ 1,331	\$ 213	\$ 70,291	\$ 71,835
Receivables, net	28	-	3,245	3,273
Inventories	545	-	-	545
Prepaid costs	-	-	1,135	1,135
Total current assets	<u>1,904</u>	<u>213</u>	<u>74,671</u>	<u>76,788</u>
Capital assets:				
Non-depreciable	705	-	-	705
Depreciable (net of accumulated depreciation)	11,923	73	-	11,996
Total assets	<u>14,532</u>	<u>286</u>	<u>74,671</u>	<u>89,489</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,039	35	2,550	3,624
Accrued payroll	86	5	-	91
Compensated absences	277	5	-	282
Claims and judgments	-	-	33,533	33,533
Total current liabilities	<u>1,402</u>	<u>45</u>	<u>36,083</u>	<u>37,530</u>
Noncurrent liabilities:				
Claims and judgments	-	-	24,764	24,764
Total liabilities	<u>1,402</u>	<u>45</u>	<u>60,847</u>	<u>62,294</u>
NET POSITION				
Net investment in capital assets	12,628	73	-	12,701
Unrestricted (deficit)	502	168	13,824	14,494
Total net position	<u>\$ 13,130</u>	<u>\$ 241</u>	<u>\$ 13,824</u>	<u>\$ 27,195</u>

Baltimore County, Maryland
Combining Statement of Revenues, Expenses,
and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2016
(In Thousands)

	Vehicle Operations and Maintenance	Central Printing Service	Self-Insurance Program	Total
OPERATING REVENUES				
Charges for services-internal	\$ 17,352	\$ 611	\$ 90,169	\$ 108,132
Charges for services-other	3,431	2	209,938	213,371
Miscellaneous	175	-	-	175
Total operating revenues	<u>20,958</u>	<u>613</u>	<u>300,107</u>	<u>321,678</u>
OPERATING EXPENSES				
Personal services	2,779	203	-	2,982
Contractual services	596	178	-	774
Rents and utilities	83	174	-	257
Supplies and maintenance	13,183	118	-	13,301
Insurance claims and expenses	-	-	290,845	290,845
Depreciation	2,902	13	-	2,915
Other expenses	746	25	-	771
Total operating expenses	<u>20,289</u>	<u>711</u>	<u>290,845</u>	<u>311,845</u>
Operating income (loss)	<u>669</u>	<u>(98)</u>	<u>9,262</u>	<u>9,833</u>
NONOPERATING REVENUES				
Interest on investments	-	-	209	209
Total nonoperating revenues	-	-	209	209
Income (loss) before transfers	669	(98)	9,471	10,042
Transfers out	-	-	(135)	(135)
Changes in net position	669	(98)	9,336	9,907
Net position at beginning of the year	12,461	339	4,488	17,288
Net position at end of the year	<u>\$ 13,130</u>	<u>\$ 241</u>	<u>\$ 13,824</u>	<u>\$ 27,195</u>

Baltimore County, Maryland
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2016
(In Thousands)

	Vehicle Operations and Maintenance	Central Printing Service	Self-Insurance Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from external customers	\$ 3,414	\$ 2	\$ 208,200	\$211,616
Receipts for interfund services	17,352	611	90,169	108,132
Payments to suppliers	(14,261)	(473)	-	(14,734)
Payments to employees	(2,746)	(204)	-	(2,950)
Payment for interfund services used	(746)	(25)	-	(771)
Claims paid	-	-	(286,196)	(286,196)
Other receipts	175	-	-	175
Net cash provided by (used for) operating activities	<u>3,188</u>	<u>(89)</u>	<u>12,173</u>	<u>15,272</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer out	-	-	(135)	(135)
Repayment of advance	(325)	-	325	-
Net cash provided by (used for) noncapital activities	<u>(325)</u>	<u>-</u>	<u>190</u>	<u>(135)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(1,738)	-	-	(1,738)
Sales of capital assets	206	-	-	206
Net cash used for capital and related financing activities	<u>(1,532)</u>	<u>-</u>	<u>-</u>	<u>(1,532)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	-	209	209
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>209</u>	<u>209</u>
Net increase (decrease) in cash and cash equivalents	1,331	(89)	12,572	13,814
Cash and cash equivalents at beginning of the year	-	302	57,719	58,021
Cash and cash equivalents at end of the year	<u>\$ 1,331</u>	<u>\$ 213</u>	<u>\$ 70,291</u>	<u>\$ 71,835</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ 669	\$ (98)	\$ 9,262	\$ 9,833
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation expense	2,902	13	-	2,915
Effect of changes in operating assets and liabilities:				
Receivables, net	(17)	-	(1,738)	(1,755)
Inventories	49	-	-	49
Accounts and other payables	(448)	(3)	1,279	828
Accrued expenses	33	(1)	-	32
Claims and judgements	-	-	3,370	3,370
Net cash provided by (used for) operating activities	<u>\$ 3,188</u>	<u>\$ (89)</u>	<u>\$ 12,173</u>	<u>\$ 15,272</u>

Baltimore County, Maryland
Combining Statement of Net Position
Benefits Trust Funds
June 30, 2016
(In Thousands)

	Employees' Retirement System Plan A	Employees' Retirement System Plan B	Police, Fire, and Widows' Pension Plan	OPEB Plan	Total
ASSETS					
Cash and cash equivalents	\$ 36,076	\$ 1,758	\$ 204	\$ 6,459	\$ 44,497
Collateral for loaned securities	24,254	596	-	4,202	29,052
Receivables:					
Accrued interest & dividend income	2,073	50	9	358	2,490
Receivable for investments sold	16,090	395	-	2,788	19,273
Receivables other	671	368	-	2,126	3,165
Total receivables	<u>18,834</u>	<u>813</u>	<u>9</u>	<u>5,272</u>	<u>24,928</u>
Investments, at fair value:					
U.S. Government and Agency securities	110,244	2,708	-	19,100	132,052
Municipal bonds	3,402	83	10,038	590	14,113
Foreign bonds	13,275	326	6,713	2,300	22,614
Corporate bonds	75,017	1,843	-	12,997	89,857
Stocks	445,063	10,932	-	77,110	533,105
Bond mutual funds	356,167	8,748	5,424	61,709	432,048
Stock mutual funds	646,861	15,889	9,463	112,073	784,286
Real estate equity funds	127,245	3,125	-	22,046	152,416
Hedge funds	1,517	37	-	263	1,817
Private equity funds	106,807	2,623	-	18,505	127,935
Global asset allocation	356,334	8,752	-	61,737	426,823
Total investments	<u>2,241,932</u>	<u>55,066</u>	<u>31,638</u>	<u>388,430</u>	<u>2,717,066</u>
Total assets	<u>2,321,096</u>	<u>58,233</u>	<u>31,851</u>	<u>404,363</u>	<u>2,815,543</u>
LIABILITIES					
Securities lending payable	24,254	596	-	4,202	29,052
Investments purchased	19,296	474	-	3,343	23,113
Investment expenses payable	2,367	58	-	410	2,835
Refunds payable	31	1,825	-	-	1,856
Other	4,908	3	2	509	5,422
Total liabilities	<u>50,856</u>	<u>2,956</u>	<u>2</u>	<u>8,464</u>	<u>62,278</u>
NET POSITION					
Net position restricted for benefits	<u>\$ 2,270,240</u>	<u>\$ 55,277</u>	<u>\$ 31,849</u>	<u>\$ 395,899</u>	<u>\$ 2,753,265</u>

Baltimore County, Maryland
Combining Statement of Changes in Net Position
Benefits Trust Funds
For the Year Ended June 30, 2016
(In Thousands)

	Employees' Retirement System Plan A	Employees' Retirement System Plan B	Police, Fire, and Widows' Pension Plan	OPEB Plan	Total
ADDITIONS					
Contributions:					
Employer	\$ 104,306	\$ 1,436	\$ -	\$ 86,970	\$ 192,712
Employees	28,491	12,321	-	34,774	75,586
Other	-	-	14	18,505	18,519
Total contributions	<u>132,797</u>	<u>13,757</u>	<u>14</u>	<u>140,249</u>	<u>286,817</u>
Investment earnings:					
Net decrease in the fair value of plan assets	(51,364)	(1,079)	(4,663)	(10,731)	(67,837)
Interest and dividends	40,923	970	5,711	7,541	55,145
Investment expenses	<u>(15,735)</u>	<u>(389)</u>	<u>(31)</u>	<u>(2,816)</u>	<u>(18,971)</u>
Net investment gain (loss)	<u>(26,176)</u>	<u>(498)</u>	<u>1,017</u>	<u>(6,006)</u>	<u>(31,663)</u>
Net income from securities lending:					
Securities lending income	158	3	-	32	193
Borrower rebates	201	5	-	35	241
Agent fees	<u>(95)</u>	<u>(2)</u>	<u>-</u>	<u>(18)</u>	<u>(115)</u>
Net income from securities lending	<u>264</u>	<u>6</u>	<u>-</u>	<u>49</u>	<u>319</u>
Total net investment gain (loss)	<u>(25,912)</u>	<u>(492)</u>	<u>1,017</u>	<u>(5,957)</u>	<u>(31,344)</u>
Total additions	<u>106,885</u>	<u>13,265</u>	<u>1,031</u>	<u>134,292</u>	<u>255,473</u>
DEDUCTIONS					
Benefits	248,972	44	8,210	145,832	403,058
Refunds	1,543	2,600	-	-	4,143
Administrative expense	<u>1,608</u>	<u>39</u>	<u>-</u>	<u>-</u>	<u>1,647</u>
Total deductions	<u>252,123</u>	<u>2,683</u>	<u>8,210</u>	<u>145,832</u>	<u>408,848</u>
Change in net position	<u>(145,238)</u>	<u>10,582</u>	<u>(7,179)</u>	<u>(11,540)</u>	<u>(153,375)</u>
Net position at beginning of the year	<u>2,415,478</u>	<u>44,695</u>	<u>39,028</u>	<u>407,439</u>	<u>2,906,640</u>
Net position at end of the year	<u>\$ 2,270,240</u>	<u>\$ 55,277</u>	<u>\$ 31,849</u>	<u>\$ 395,899</u>	<u>\$ 2,753,265</u>

STATISTICAL



SECTION

The Statistical Section presents data to assist users of this report to assess the economic condition of the County. They are intended to provide a broader and more complete understanding of the County and its financial affairs than is possible from the basic financial statements and supporting schedules included in the “Financial Section.” Many of these schedules cover more than two fiscal years and present data from sources other than the accounting records. Therefore, the data contained in the Statistical Section has not been subjected to independent audit. The five categories of information are as follows:

Financial Trends

These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

Baltimore County, Maryland
Net Position by Component
Last Ten Fiscal Years
 (accrual basis of accounting)
 (dollars expressed in thousands)

	2007	2008	2009	2010	2011*	2012**	2013	2014	2015***	2016
Governmental activities										
Net investment in capital assets	\$ 1,492,767	\$ 1,523,265	\$ 1,595,901	\$ 1,593,450	\$ 1,550,280	\$ 1,386,096	\$ 1,313,131	\$ 1,277,986	\$ 1,346,549	\$ 1,529,027
Restricted	15,324	122,079	73,357	57,713	26,653	27,251	26,972	29,053	31,871	42,647
Unrestricted (deficit)	103,053	20,351	(67,683)	(309,380)	(335,775)	(349,899)	(352,908)	(363,126)	(1,747,908)	(2,067,561)
Total governmental activities net position	<u>\$ 1,611,144</u>	<u>\$ 1,665,695</u>	<u>\$ 1,601,575</u>	<u>\$ 1,341,783</u>	<u>\$ 1,241,156</u>	<u>\$ 1,063,446</u>	<u>\$ 987,195</u>	<u>\$ 943,913</u>	<u>\$ (369,488)</u>	<u>\$ (495,887)</u>
Business-type activities										
Net investment in capital assets	\$ 543,107	\$ 489,563	\$ 588,225	\$ 588,687	\$ 588,201	\$ 566,002	\$ 553,132	\$ 526,907	\$ 540,690	\$ 614,609
Unrestricted (deficit)	(107,952)	(63,032)	(137,808)	(159,788)	(155,226)	(178,355)	(200,295)	(214,318)	(351,497)	(526,541)
Total business-type activities net position	<u>\$ 435,155</u>	<u>\$ 426,531</u>	<u>\$ 430,417</u>	<u>\$ 408,899</u>	<u>\$ 432,975</u>	<u>\$ 387,647</u>	<u>\$ 352,837</u>	<u>\$ 312,589</u>	<u>\$ 189,193</u>	<u>\$ 88,068</u>
Primary government										
Net investment in capital assets	\$ 2,035,874	\$ 2,012,828	\$ 2,164,126	\$ 2,162,137	\$ 2,138,481	\$ 1,952,098	\$ 1,866,263	\$ 1,804,893	\$ 1,887,239	\$ 2,143,636
Restricted	15,324	122,079	73,357	57,713	26,653	27,251	26,972	29,053	31,871	42,647
Unrestricted (deficit)	\$ (4,899)	\$ (42,681)	\$ (205,491)	\$ (469,168)	\$ (491,001)	\$ (528,254)	\$ (553,203)	\$ (577,444)	\$ (2,099,405)	\$ (2,594,102)
Total primary government net position	<u>\$ 2,046,299</u>	<u>\$ 2,092,226</u>	<u>\$ 2,031,992</u>	<u>\$ 1,750,682</u>	<u>\$ 1,674,133</u>	<u>\$ 1,451,095</u>	<u>\$ 1,340,032</u>	<u>\$ 1,256,502</u>	<u>\$ (180,295)</u>	<u>\$ (407,819)</u>

* The amounts for FY 2011 net position components have been restated to affect the change in amortization of bond/COPs premium and discount from the straight-line method to the effective interest method.

** The amounts for FY 2012 net position components have been restated to affect the change in no longer amortizing the issuance costs related to debt

*** The amounts for FY15 unrestricted (deficit) net position have been restated to affect the change in the County reporting its net pension liability required by GASB No. 68.

Baltimore County, Maryland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government										
Public safety	\$ 364,796	\$ 427,611	\$ 457,696	\$ 390,428	\$ 449,008	\$ 510,219	\$ 499,598	\$ 507,968	\$ 511,254	\$ 615,205
Public works	284,729	321,024	336,325	339,301	346,253	340,263	336,402	345,801	346,834	368,337
Health and human services	187,130	166,234	163,493	198,075	150,606	187,816	153,997	192,092	177,495	178,728
Culture and leisure services	124,274	134,693	141,023	144,614	144,972	152,490	149,078	147,998	158,431	164,430
Economic and community development	56,889	62,080	66,856	68,818	69,368	70,803	64,554	65,487	63,742	64,165
Education	7,713	8,762	10,578	13,743	16,232	13,379	21,126	19,637	13,838	12,449
Interest on long-term debt	786,468	781,588	774,053	831,550	803,828	841,494	807,336	852,799	888,832	943,217
Total governmental activities expenses	21,940	22,900	20,305	22,057	22,844	25,568	26,885	26,081	25,257	26,648
Business-type activities:										
Water and sewer services	1,833,939	1,924,892	1,970,329	2,008,586	2,003,111	2,142,032	2,058,976	2,157,863	2,185,683	2,373,179
Total business-type activities expenses	222,606	229,829	223,534	240,626	223,858	278,104	270,090	272,177	302,014	358,593
Total primary government expenses	222,606	229,829	223,534	240,626	223,858	278,104	270,090	272,177	302,014	358,593
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 201,113	\$ 188,526	\$ 187,868	\$ 145,403	\$ 190,247	\$ 212,958	\$ 201,032	\$ 202,899	\$ 206,918	\$ 253,728
Public safety	3,294	2,022	1,935	2,294	5,077	5,958	6,950	9,205	10,979	11,210
Public works	2,273	1,837	1,669	2,616	3,195	2,942	3,379	3,681	4,702	7,257
Health and human services	4,155	3,916	3,916	3,801	3,652	3,622	4,031	28,872	28,590	20,251
Culture and leisure services	2,578	2,653	2,856	3,247	3,382	3,653	3,769	4,018	4,303	3,971
Economic and community development	601	939	571	713	851	487	876	585	429	983
Operating grants and contributions:										
General government	9,172	2,587	3,093	2,894	5,778	2,457	3,016	3,849	3,210	2,781
Public safety	19,499	19,627	20,638	18,115	14,093	12,879	12,930	16,175	19,602	18,316
Public works	43,257	41,584	36,342	2,128	2,865	2,260	3,772	5,614	4,300	5,033
Health and human services	92,341	101,797	109,357	100,877	100,326	114,528	113,800	114,841	126,609	125,413
Culture and leisure services	1,745	1,502	1,519	1,261	1,124	1,145	4,350	4,124	4,251	4,303
Economic and community development	7,075	6,569	8,249	17,938	24,115	16,386	12,148	9,524	8,679	11,899
Interest on long-term debt	-	-	-	1,137	4,064	6,853	5,671	5,422	5,255	5,186
Capital grants and contributions	42,348	53,287	54,852	31,263	37,614	41,519	32,015	25,843	48,492	35,781
Total governmental activities program revenues	429,451	426,846	432,865	333,687	396,383	427,647	407,739	434,652	476,319	506,112
Business-type activities:										
Charges for services:										
Water and sewer services	168,715	189,246	200,741	206,031	224,510	220,188	215,703	214,154	202,674	237,071
Operating grants and contributions:										
Capital grants and contributions	-	-	-	829	2,462	3,777	3,184	2,942	2,918	2,893
Total business-type activities program revenues	32,693	30,850	25,585	12,071	14,126	11,282	16,071	14,641	14,196	16,186
Total primary government program revenues	201,408	220,096	226,326	218,931	241,098	235,247	234,958	231,737	219,788	256,150
Total primary government program revenues	\$ 630,859	\$ 646,942	\$ 659,191	\$ 552,618	\$ 637,481	\$ 662,894	\$ 642,697	\$ 666,389	\$ 696,107	\$ 762,262

(continued)

Baltimore County, Maryland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Governmental activities	\$ (1,404,488)	\$ (1,498,046)	\$ (1,537,464)	\$ (1,674,899)	\$ (1,606,728)	\$ (1,714,385)	\$ (1,651,237)	\$ (1,723,211)	\$ (1,709,364)	\$ (1,867,067)
Business-type activities	(21,198)	(9,733)	2,792	(21,695)	17,240	(42,857)	(35,132)	(40,440)	(82,226)	(100,443)
Total primary government net expense	\$ (1,425,686)	\$ (1,507,779)	\$ (1,534,672)	\$ (1,696,594)	\$ (1,589,488)	\$ (1,757,242)	\$ (1,686,369)	\$ (1,763,651)	\$ (1,791,590)	\$ (1,967,510)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 662,307	\$ 712,863	\$ 767,103	\$ 813,970	\$ 837,092	\$ 844,069	\$ 847,439	\$ 850,367	\$ 866,698	\$ 891,823
Income taxes	589,994	661,125	569,736	473,792	534,553	565,571	573,376	679,371	736,760	663,510
Public service taxes	180,736	155,699	123,863	116,592	110,405	121,099	143,067	140,032	153,522	174,239
Grants and contributions not restricted to specific programs:										
State of Maryland	9,165	8,847	6,954	9,655	8,823	9,423	9,686	9,063	9,210	8,966
Unrestricted investment earnings	43,777	13,953	5,688	1,098	966	1,077	1,416	1,096	749	1,392
Transfers	61	110	-	-	-	-	-	-	10,213	738
Total governmental activities	1,486,040	1,552,597	1,473,344	1,415,107	1,491,839	1,541,239	1,574,984	1,679,929	1,777,152	1,740,668
Business-type activities										
Unrestricted investment earnings	198	1,219	1,094	177	256	360	322	192	98	56
Transfers	(61)	(110)	-	-	-	-	-	-	(10,213)	(738)
Total business-type activities	137	1,109	1,094	177	256	360	322	192	(10,115)	(682)
Total primary government	\$ 1,486,177	\$ 1,553,706	\$ 1,474,438	\$ 1,415,284	\$ 1,492,095	\$ 1,541,599	\$ 1,575,306	\$ 1,680,121	\$ 1,767,037	\$ 1,739,986
Change in Net Position										
Governmental activities	\$ 81,552	\$ 54,551	\$ (64,120)	\$ (259,792)	\$ (114,889)	\$ (173,146)	\$ (76,253)	\$ (43,282)	\$ 67,788	\$ (126,399)
Business-type activities	(21,061)	(8,624)	3,886	(21,518)	17,496	(42,497)	(34,810)	(40,248)	(92,341)	(101,125)
Total primary government	\$ 60,491	\$ 45,927	\$ (60,234)	\$ (281,310)	\$ (97,393)	\$ (215,643)	\$ (111,063)	\$ (83,530)	\$ (24,553)	\$ (227,524)

Baltimore County, Maryland
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	2007 *	2008 *	2009 *	2010 *	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	\$ 4,061	\$ 5,431	\$ 5,911	\$ 5,906	\$ 6,942	\$ 7,109	\$ 6,772	\$ 5,574	\$ 6,998	\$ 7,489
Restricted	6,995	2,657	31,132	17,763	12,689	99,492	69,140	34,889	17,490	5,194
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	142,587	143,571	141,214	99,589	65,223	65,659	91,286	108,855	151,283	83,161
Unassigned	133,899	118,530	82,703	109,231	165,200	229,972	294,935	284,664	229,819	239,528
Total General Fund	287,542	270,189	260,960	232,489	250,054	402,232	462,133	433,982	405,590	335,372
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	10,333	10,925	14,108	17,835	21,365	22,161	21,770	18,667	31,285	41,444
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	166,138	8,860	22,816	5,926	7,184	4,699	14,365	16,058	20,789	16,089
Unassigned	(121,680)	(48,410)	(98,521)	(209,354)	(157,090)	(112,730)	(48,347)	(23,256)	(29,387)	(164,685)
Total all other governmental funds	\$ 54,791	\$ (28,625)	\$ (61,597)	\$ (185,593)	\$ (128,541)	\$ (85,370)	\$ (12,212)	\$ 11,469	\$ 22,687	\$ (107,152)
Total governmental funds	\$ 342,333	\$ 241,564	\$ 199,363	\$ 46,896	\$ 121,513	\$ 316,362	\$ 449,921	\$ 445,451	\$ 428,277	\$ 228,220

^a In FY 2007 the County transferred \$114.4 million and \$80 million from the General Fund and the Self-Insurance Program Internal Service Fund, respectively, to a Post Employment Benefit (OPEB) Fund to accumulate funds to meet future annual required contributions (ARC) to an OPEB Trust Fund.

^b In FY2008, the fund balance of \$156.275 million in the OPEB Fund as of 6/30/07, was contributed to the OPEB Trust Fund.

* This information was prepared by the County Office of Budget and Finance based upon evaluation of fund balances and was presented for comparative purposes only.

Baltimore County, Maryland
Fund Balances of Governmental Funds
Pre GASB Statement No. 54
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	2007	2008	2009	2010	2011 *	2012 *	2013 *	2014 *	2015 *	2016 *
General Fund										
Reserved for:										
Encumbrances	\$ 4,996	\$ 4,101	\$ 4,985	\$ 5,762	\$ 4,586	\$ 3,692	\$ 5,210	\$ 5,655	\$ 6,308	\$ 3,995
Inventories	4,061	5,431	5,911	5,906	6,942	7,109	6,772	5,574	6,998	7,489
Imprest funds	68	70	67	70	69	69	69	69	74	75
Equipment financing	6,995	2,657	31,132	17,763	12,689	99,260	68,821	34,441	16,904	3,991
Bond Escrow	-	-	-	-	-	232	319	448	586	1,203
Disputed taxes	-	-	-	-	-	-	-	-	25,427	25,427
Total reserved	16,120	12,259	42,095	29,501	24,286	110,362	81,191	46,187	56,297	42,180
Unreserved										
Designated for:										
Subsequent years expenditures	57,531	47,471	52,082	9,400	60,568	40,584	39,532	78,056	89,648	19,124
Retirement of long-term debt	-	8,986	-	-	-	21,314	46,475	25,075	29,826	34,540
Revenue stabilization	79,992	82,943	84,080	84,357	84,610	84,822	85,034	85,187	89,341	93,107
Undesignated	133,899	118,530	82,703	109,231	80,590	145,150	209,901	199,477	140,478	146,421
Total unreserved	271,422	257,930	218,865	202,988	225,768	291,870	380,942	387,795	349,293	293,192
Total General Fund	287,542	270,189	260,960	232,489	250,054	402,232	462,133	433,982	405,590	335,372
All other governmental funds										
Reserved	15,572	15,686	16,628	19,942	28,304	26,504	35,952	31,855	40,486	52,146
Unreserved, reported in:										
Special revenue funds ^{a b}	160,899	4,099	20,296	3,819	245	356	183	2,870	4,911	5,387
Capital project funds	(121,680)	(48,410)	(98,521)	(209,354)	(157,090)	(112,730)	(48,347)	(23,256)	(22,710)	(164,885)
Total all other governmental funds	54,791	(28,625)	(61,597)	(185,593)	(128,541)	(85,870)	(12,212)	11,469	22,687	(107,152)
Total governmental funds	\$ 342,333	\$ 241,564	\$ 199,363	\$ 46,896	\$ 121,513	\$ 316,362	\$ 449,921	\$ 445,451	\$ 428,277	\$ 228,220

^a In FY 2007 the County transferred \$114.4 million and \$80 million from the General Fund and the Self-Insurance Program Internal Service Fund, respectively, to a Post Employment Benefit (OPEB) Fund to accumulate funds to meet future annual required contributions (ARC) to an OPEB Trust Fund.

^b In FY 2008, the fund balance of \$156.275 million in the OPEB Fund as of 6/30/07, was contributed to the OPEB Trust Fund.

* This information was prepared by the County Office of Budget and Finance and was derived from records for FY 2011- FY 2016 based on standards used prior to FY 2011. Information was presented for comparative purposes only.

Baltimore County, Maryland
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 1,441,828	\$ 1,499,041	\$ 1,518,367	\$ 1,414,149	\$ 1,448,849	\$ 1,545,610	\$ 1,605,959	\$ 1,645,650	\$ 1,703,481	\$ 1,761,006
Licenses and permits	4,690	4,545	4,171	3,648	4,480	5,867	5,933	30,585	30,747	22,477
Intergovernmental	197,068	201,079	215,211	170,515	186,868	187,089	182,690	177,093	194,620	193,332
Repayment of loans	3,571	3,810	2,490	2,450	3,990	1,695	2,954	2,978	3,042	1,759
Charges for services	38,897	13,502	12,882	14,104	17,923	18,365	19,775	23,670	26,035	35,050
Assessments	4,430	2,422	5,249	1,091	2,475	2,183	2,017	2,745	1,645	1,645
Fines and forfeitures	4,725	3,098	3,407	3,660	3,876	5,149	4,844	5,066	6,033	7,099
Interest revenue	42,643	10,520	3,780	1,095	852	1,015	1,847	1,428	952	1,714
Miscellaneous	19,824	25,317	22,175	24,049	32,488	27,042	30,316	33,704	43,265	42,564
Total revenues	1,757,696	1,763,334	1,787,732	1,634,751	1,701,781	1,794,015	1,856,335	1,922,919	2,010,418	2,066,646
Expenditures										
General government	69,845	73,556	74,504	73,972	76,667	74,636	112,682	113,669	112,732	111,204
Public safety	289,362	311,867	329,337	341,735	341,131	339,984	334,669	342,776	350,395	359,811
Public works	108,201	113,150	117,271	140,709	127,513	115,497	100,688	116,419	112,565	117,785
Health and human services	122,685	133,918	139,638	142,922	143,731	151,924	147,954	146,612	156,519	163,418
Culture and leisure services	22,852	24,707	25,960	26,999	26,771	27,030	19,777	20,507	20,983	22,128
Economic and community development	10,256	11,339	11,563	15,242	18,244	22,387	21,245	20,921	15,133	19,973
Pension plan contributions	35,968	40,778	46,446	53,156	53,795	58,985	320,818	71,791	95,585	92,550
Healthcare contributions	105,780	266,019	81,446	66,769	56,367	66,676	92,311	99,447	99,924	126,386
Loans	2,910	3,281	3,290	1,163	-	-	-	-	-	-
Miscellaneous	15,489	15,966	16,686	17,551	17,384	16,942	16,067	16,532	17,571	17,963
Capital projects	154,112	124,064	131,929	126,773	108,827	102,145	97,928	95,334	118,430	131,710
Payments to component units	829,109	828,488	823,229	882,459	857,010	895,901	864,835	911,309	947,156	1,001,289
Debt service:										
Principal retirement	40,493	45,418	40,981	46,030	48,149	50,765	54,543	59,631	68,647	77,829
Interest	22,770	23,157	25,108	24,213	28,454	32,133	36,774	49,256	45,664	49,458
Fiscal charges	849	635	1,027	1,216	2,413	2,051	3,517	1,250	3,150	1,082
Total expenditures	1,830,681	2,016,343	1,868,415	1,960,909	1,906,456	1,957,076	2,223,708	2,085,454	2,164,454	2,292,586
Deficiency of revenues over expenditures	(72,985)	(253,009)	(80,683)	(326,158)	(204,675)	(163,061)	(367,373)	(142,535)	(154,036)	(225,940)

(continued)

Baltimore County, Maryland
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other financing sources (uses)										
Bonds issued	111,000	140,000	-	174,970	267,000	170,000	449,290	140,000	116,000	112,000
Bond premium	5,293	9,150	-	725	12,041	26,285	36,013	20,659	44,998	25,010
Bond discount	-	-	-	(2,002)	-	-	-	-	-	-
Bond anticipation notes issued	90,000	140,000	35,000	-	70,050	235,100	193,000	116,000	112,000	-
Bond anticipation notes premium	-	-	-	-	-	3,307	1,967	-	-	-
Refunding bonds issued	-	-	73,020	-	13,565	-	94,080	39,530	-	-
Bond premium - refunding	-	-	8,151	-	1,387	-	16,228	-	117,365	-
Certificates of participation issued	-	-	34,700	-	-	78,430	-	-	-	-
Refunding certificates of participation issued	-	-	-	-	-	-	11,830	-	-	-
Certificates of participation premium	-	-	1,723	-	-	14,259	786	-	-	-
Installment purchase agreement	-	-	-	-	-	320	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	12,946	6,088	-	-
Auction rate notes refunding	-	-	(35,000)	-	-	-	-	-	-	-
Bond anticipation notes refunding	(111,000)	(140,000)	-	-	(70,050)	(170,000)	(193,000)	(140,000)	(116,000)	(112,000)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Payment to refunding escrow agent	-	-	(80,850)	-	(14,879)	-	(122,342)	(44,190)	(137,501)	-
Transfers in	347,855	158,675	165,168	158,907	61,265	10,866	36,366	71,776	87,684	138,543
Transfers out	(268,116)	(155,585)	(163,430)	(158,909)	(61,087)	(10,657)	(36,232)	(71,798)	(87,684)	(138,670)
Total other financing sources	175,032	152,240	38,482	173,691	279,292	357,910	500,932	138,065	136,862	25,883
Net change in fund balances	\$ 102,047	\$ (100,769)	\$ (42,201)	\$ (152,467)	\$ 74,617	\$ 194,849	\$ 133,559	\$ (4,470)	\$ (17,174)	\$ (200,057)
Debt service as a percentage of noncapital expenditures	3.73%	3.61%	3.80%	3.83%	4.33%	4.42%	4.30%	5.49%	5.58%	5.88%

Baltimore County, Maryland
Unreserved Fund Balance and Revenue Stabilization Reserve Account Expressed as a Percentage of General Fund Revenues and
Transfers In
Last Ten Fiscal Years
(budgetary basis)
(dollars expressed in thousands)

Fiscal Year	Total General Fund Revenues	Unreserved Fund Balance	Unreserved Fund Balance as a % of General Fund Revenues	Revenue Stabilization Reserve Account ("RSRA")	Undesignated Fund Balance	Undesignated Fund Balance PLUS RSRA as % of G.F. Revenues
2007	1,595,721	271,422	17.0	79,992	133,899	13.4
2008	1,640,051	257,930	15.7	82,943	118,530	12.3
2009	1,635,375	218,865	13.4	84,080	82,703	10.2
2010	1,489,427	202,988	13.6	84,357	109,231	13.0
2011	1,547,926	225,768	14.6	84,610	80,590	10.7
2012	1,722,890	291,870	16.9	84,822	145,150	13.3
2013	1,701,812	380,942	22.4	85,034	209,901	17.3
2014	1,750,110	387,795	22.2	85,187	199,477	16.3
2015	1,820,656	349,367	19.2	89,341	140,478	12.6
2016	1,887,247	293,192	15.5	93,107	146,421	12.7

The General Fund Unassigned Fund Balance includes the Revenue Stabilization Reserve Account (the Account) which is a designation of General Fund fund balance to provide a financial cushion for unanticipated decreases in revenues; primarily intergovernmental revenues. Section 10-8-101 of the County Code gives the County the authority to establish and maintain the Account. Effective in fiscal year 2007, revenues in excess of estimates and any unexpended appropriations at the close of the fiscal year shall be transferred to the Account if the Account balance does not exceed five percent of the current fiscal year General Fund budgeted revenue after interest is credited to the Account. Prior to FY07, the Account balance could not exceed five percent of the current fiscal year General Fund budget unless approved by the County Executive and County Council. Interest which is not subject to the five percent cap, was credited to the Account at the close of each fiscal year. If a deficit exists in the General Fund at the end of any fiscal year, the Director of Budget and Finance shall notify the County Executive and County Council; and request that sufficient monies to the extent available be transferred from the Account to eliminate the deficit. Funds in the Account are not to be used for any other purpose except upon the recommendation of the County Executive and approval of a majority plus one of the County Council.

Baltimore County, Maryland
General Fund Revenues
Last Ten Fiscal Years
(budgetary basis)
(dollars expressed in thousands)

Fiscal Year	Taxes (1)	Licenses and Permits	Inter-Governmental	Charges for Services	Fines and Forfeitures	Interest on Investments and Miscellaneous	Reimbursements and Other Financing Sources	Total
2007	1,441,828	4,026	80,647	10,582	4,725	39,594	14,319	1,595,721
2008	1,499,041	3,864	78,434	9,720	3,098	30,750	15,144	1,640,051
2009	1,518,367	3,539	70,424	8,861	3,407	23,320	7,457	1,635,375
2010	1,414,149	3,009	30,904	9,497	3,660	21,270	6,938	1,489,427
2011	1,448,849	3,858	34,186	9,963	3,876	26,214	20,980	1,547,926
2012	1,545,610	4,916	31,517	10,068	5,149	25,089	100,541	1,722,890
2013	1,605,959	4,970	37,717	10,378	4,844	29,419	8,525	1,701,812
2014	1,645,650	4,925	43,473	11,118	5,066	30,966	8,912	1,750,110
2015	1,703,481	5,306	43,739	12,544	6,033	39,173	10,380	1,820,656
2016	1,759,834	5,194	46,609	22,404	7,099	33,686	12,421	1,887,247

Note: Table does not include major interfund transfers that occurred in FY 2010 and FY 2011.

(1) See the General Fund Tax Revenues by Source table for detail

Baltimore County, Maryland
General Fund Tax Revenues by Source
Last Ten Fiscal Years
(budgetary basis)
(dollars expressed in thousands)

Fiscal Year	Total Taxes	General			Other Local Taxes (1)
		Property Taxes	Income Taxes	Taxes (1)	
2007	1,441,828	663,289	607,932	170,607	
2008	1,499,041	713,116	640,985	144,940	
2009	1,518,367	765,573	640,176	112,618	
2010	1,414,149	814,100	495,656	104,393	
2011	1,448,849	837,056	514,715	97,078	
2012	1,545,610	845,238	593,204	107,168	
2013	1,605,959	853,860	624,060	128,039	
2014	1,645,650	853,317	667,924	124,409	
2015	1,703,481	870,115	696,335	137,031	
2016	1,759,834	892,906	709,377	157,551	

(1) Fiscal year 2016 other local taxes include: title transfer tax - \$74.967 million, recordation tax - \$36.662 million, electricity - \$14.201 million, telephone tax - \$8.941 million, admissions and amusement tax - \$5.804 million, motel and hotel occupancy tax - \$10.322 million, 911 fee - \$6.133 million and auto trailer camp tax - \$0.521 million.

Baltimore County, Maryland
General Fund Expenditures and Transfers by Function
Last Ten Fiscal Years
(budgetary basis)
(dollars expressed in thousands)

Fiscal Year	General Government	Public Safety	Public Works	Health and Human Services	Culture and Leisure Services	Economic and Community Development	Debt Service	Non- Departmental (1)	Payments to		Total
									Component Units	Interfund Transfers	
2007	66,769	275,431	106,890	33,263	20,416	1,776	63,893	68,514	703,313	264,441	1,604,706
2008	74,202	304,400	112,962	35,468	22,410	1,758	68,990	166,824	713,750	153,696	1,654,460
2009	74,811	321,064	117,197	36,521	24,014	2,022	66,655	144,553	743,667	145,719	1,676,223
2010	75,026	327,432	136,389	37,993	24,681	2,104	70,784	138,157	770,486	40,550	1,623,602
2011	76,761	330,042	126,883	37,537	23,622	1,889	77,221	127,467	766,829	9,938	1,578,189
2012	73,710	330,137	116,079	37,595	23,812	1,419	78,370	142,789	775,282	7,390	1,586,583
2013	102,135	323,636	89,235	34,311	16,684	1,295	81,835	174,216	795,428	20,590	1,639,365
2014	103,973	324,374	104,495	34,837	17,289	1,170	95,922	187,839	821,274	32,233	1,723,406
2015	109,697	334,171	110,129	36,448	17,940	1,015	109,664	213,177	849,915	57,297	1,839,453
2016	113,437	340,701	113,532	37,936	18,307	1,192	118,692	236,896	862,811	107,568	1,951,072

(1) Non-Departmental expenditures include costs incurred for pension plan contributions, social security, workers compensation, general and auto liability insurance, employees health and life insurance and miscellaneous programs.

Baltimore County, Maryland
Taxable Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended June 30	Real Property (1)				Personal Property				Total Direct Rate (2)
	Residential Property	Commercial Property	Total Real Property	Railroad/Utility Property	Other Business Property	Total Personal Property	Total Taxable Assessed Value (1)		
2007	48,631,721	11,407,441	60,039,162	1,351,599	1,715,999	3,067,598	63,106,760	63,106,760	1.181
2008	56,863,450	12,482,221	69,345,671	1,255,594	1,812,240	3,067,834	72,413,505	72,413,505	1.170
2009	62,317,297	16,565,357	78,882,654	1,257,017	1,860,511	3,117,528	82,000,182	82,000,182	1.163
2010	67,285,085	18,977,845	86,262,930	1,225,048	1,885,528	3,110,576	89,373,506	89,373,506	1.162
2011	66,400,696	19,833,974	86,234,670	1,241,027	1,703,753	2,944,780	89,179,450	89,179,450	1.155
2012	61,900,847	19,547,635	81,448,482	1,229,659	1,794,683	3,024,342	84,472,824	84,472,824	1.159
2013	58,402,524	19,467,508	77,870,032	1,271,351	1,753,389	3,024,740	80,894,772	80,894,772	1.161
2014	56,661,374	18,887,124	75,548,498	1,245,132	1,741,590	2,986,722	78,535,220	78,535,220	1.162
2015	55,714,387	19,575,325	75,289,712	1,306,763	1,716,549	3,023,312	78,313,024	78,313,024	1.164
2016	56,669,097	19,910,764	76,579,861	1,347,311	1,897,128	3,244,439	79,824,300	79,824,300	1.167

Note:

(1) Tax exempt properties are not included

(2) Expressed in dollars per \$100 of assessed value

Baltimore County, Maryland
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	County Direct Rates		
	Real	Personal	Total (a)
2007	1.100	2.7500	1.181
2008	1.100	2.7500	1.170
2009	1.100	2.7500	1.163
2010	1.100	2.7500	1.162
2011	1.100	2.7500	1.155
2012	1.100	2.7500	1.159
2013	1.100	2.7500	1.161
2014	1.100	2.7500	1.162
2015	1.100	2.7500	1.164
2016	1.100	2.7500	1.167

Notes:

- (1) Rates are per \$100 of assessed value.
- (2) Except for the State of Maryland, there is no separate taxing authority that overlaps the County geographically.
- (3) There are no tax limits.
- (a) Weighted average of the individual Real & Personal direct rates.

Baltimore County, Maryland
Principal Property Taxpayers
Current Year and Nine Years Ago
(dollars expressed in thousands)

2016			2007		
Taxpayer	Percentage of Total Taxable Assessed		Taxpayer	Percentage of Total Taxable Assessed	
	Taxable Assessed Value	Value		Taxable Assessed Value	Value
BGE	1,009,116,657	1.26%	BGE	961,814,944	1.52%
Verizon	246,850,340	0.31%	Verizon	377,636,304	0.60%
Merritt Mgt Corp	435,648,398	0.55%	Wal Mart	295,975,501	0.47%
Home Properties	298,322,851	0.37%	Comcast	148,581,960	0.24%
Comcast	92,028,540	0.12%	Home Properties	147,607,798	0.23%
Towson Town Center	262,211,500	0.33%	Towson Town Center	135,071,434	0.21%
Wal Mart	167,466,210	0.21%	TRP Suburban	123,197,538	0.20%
Sparrows Point Terminal LLC	172,025,653	0.22%	Maryland Health & High Education	117,591,676	0.19%
TRP Suburban	147,020,673	0.18%	White Marsh Mall	113,682,915	0.18%
White Marsh Mall	145,477,440	0.18%	Maryland Health and High Education	54,078,720	0.09%
	<u>\$ 2,976,168,262</u>	<u>3.73%</u>		<u>\$ 2,475,238,790</u>	<u>3.93%</u>

Source: State of Maryland Assessment Files and Baltimore County Office of Budget and Finance Tax Files

Baltimore County, Maryland
Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended June 30	Collected within the Fiscal Year of the Levy				Collections in Subsequent Years	Total Collections to Date	
	Original Tax Levy	Prior Year Adjusted Levy	Total Adjusted Levy	Amount	Percentage of Original Levy	Amount	Percentage of Original Levy
2007	663,836	(2,486)	661,350	661,344	99.6	661,473	99.6
2008	711,785	(1,955)	709,830	709,242	99.6	710,111	99.8
2009	763,191	(1,461)	761,730	758,977	99.4	759,863	99.6
2010	808,956	(881)	808,075	805,384	99.6	807,369	99.8
2011	838,282	(1,899)	836,383	834,831	99.6	836,165	99.7
2012	849,559	(2,925)	846,634	841,983	99.4	845,381	99.8
2013	854,900	(1,560)	853,340	851,115	99.7	852,010	99.8
2014	858,621	(3,217)	855,404	854,254	99.9	854,612	99.5
2015	872,635	-	872,635	869,303	99.6	869,303	99.6
2016	897,668	-	897,668	886,008	98.7	886,008	98.7

Baltimore County, Maryland
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2) (3)
	General		Loan Payable	General		Certificates of Participation (1)			
	Obligation Debt (1)	Certificates of Participation (1)		Obligation Debt (1)	Certificates of Participation (1)				
2007	788,682	61,486	3,681	544,090	2,955		1,400,894	3.62	1,759.76
2008	887,695	48,896	3,601	739,080	2,533		1,681,805	4.20	2,105.81
2009	835,146	79,090	3,515	710,512	4,192		1,632,455	4.24	2,035.97
2010	951,250	71,008	3,422	782,702	3,561		1,811,943	4.56	2,248.17
2011	1,168,253	62,586	3,321	882,556	2,930		2,119,646	5.11	2,617.04
2012	1,348,019	146,016	-	1,003,942	7,264		2,505,241	5.76	3,079.37
2013	1,759,768	134,490	12,946	1,032,220	6,522		2,945,946	6.83	3,601.43
2014	1,805,692	118,209	18,993	1,085,389	5,361		3,033,644	6.80	3,669.21
2015	1,846,087	104,500	14,496	1,168,797	4,610		3,138,490	6.79	3,772.00
2016	1,762,843	88,566	10,038	1,164,150	3,875		3,029,472	6.34	3,627.94

(1) Presented net of original issuance discounts and premiums

(2) See the Demographic and Economic Statistics schedule for personal income and population data.

(3) Expressed in dollars

Baltimore County, Maryland
Ratios of Net General Obligation (GO) Debt to
Estimated Actual Value of Property and Net GO Debt Per Capita
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year	Estimated Population (1)	Estimated Actual Value of Real & Personal Property	GO Debt (2)	Less: Amounts Available in Escrow for Debt Service (3)	Net GO Debt	Percent of Net GO Debt to Estimated Actual Value of Property	GO Debt per Capita (4)
2007	796,073	63,106,760	1,332,772	-	1,332,772	2.11	1,674.18
2008	798,651	72,413,505	1,626,775	-	1,626,775	2.25	2,036.90
2009	801,808	82,000,182	1,545,658	-	1,545,658	1.88	1,927.72
2010	805,964	89,373,506	1,733,952	-	1,733,952	1.94	2,151.40
2011	809,941	89,179,450	2,050,809	-	2,050,809	2.30	2,532.05
2012	813,556	84,472,824	2,351,961	232	2,351,729	2.78	2,890.68
2013	817,993	80,894,772	2,791,988	319	2,791,669	3.45	3,412.83
2014	826,784	78,535,220	2,891,081	448	2,890,633	3.68	3,496.24
2015	832,050	78,313,024	3,014,884	586	3,014,298	3.85	3,622.74
2016	835,040	79,824,300	2,926,993	1,203	2,925,790	3.67	3,503.77

Notes:

- (1) U.S. Bureau of the Census, Population Estimates Branch
- (2) This is the general obligation debt of both governmental and business-type activities, net of original issuance discounts and premiums
- (3) The County has resources restricted to repaying the principal of outstanding debt.
- (4) Expressed in dollars

Baltimore County, Maryland
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Consolidated Public Improvement (CPI)										
General Obligation Debt										
Assessed value										
Real property	\$ 60,039,162	\$ 69,345,671	\$ 78,882,654	\$ 86,262,930	\$ 86,234,670	\$ 81,448,482	\$ 77,870,032	\$ 75,548,498	\$ 75,289,712	\$ 76,579,861
Personal property	3,067,598	3,067,834	3,117,528	3,110,576	2,944,780	3,024,342	3,024,740	2,986,722	3,023,312	3,244,439
Total assessed value	63,106,760	72,413,505	82,000,182	89,373,506	89,179,450	84,472,824	80,894,772	78,535,220	78,313,024	79,824,300
Debt limit (4% of total assessed value) (2)	2,524,270	2,896,540	3,280,007	3,574,940	3,567,178	3,378,913	3,235,791	3,141,409	3,132,521	3,192,972
Debt applicable to limit:										
Consolidated public improvement bonds	550,070	651,290	574,235	702,565	918,085	1,036,500	1,161,100	1,235,730	1,274,405	1,311,740
Pension liability funding	67,755	59,110	46,140	38,885	31,805	24,735	274,010	267,085	249,082	238,928
CPI commercial paper notes	140,000	140,000	175,000	174,900	174,900	240,000	240,000	216,000	211,900	99,800
Total debt applicable to debt limit	757,825	850,400	795,375	916,350	1,124,790	1,301,235	1,675,110	1,718,815	1,735,387	1,650,468 *
Legal debt margin	\$ 1,766,445	\$ 2,046,140	\$ 2,484,632	\$ 2,658,590	\$ 2,442,388	\$ 2,077,678	\$ 1,560,681	\$ 1,422,594	\$ 1,397,134	\$ 1,542,504
Metropolitan District General Obligation Debt										
Assessed value (1)										
Real property	\$ 52,712,637	\$ 61,053,861	\$ 69,372,971	\$ 75,606,965	\$ 76,836,626	\$ 72,056,007	\$ 68,888,892	\$ 67,005,625	\$ 64,936,021	\$ 67,958,118
Personal property	2,693,261	2,701,006	2,741,695	2,726,330	2,623,851	2,675,581	2,675,882	2,648,990	2,607,552	2,879,164
Total assessed value	55,405,898	63,754,867	72,114,666	78,333,295	79,460,477	74,731,588	71,564,774	69,654,615	67,543,573	70,837,282
Debt limit (3.2% of total assessed value) (3)	1,772,989	2,040,156	2,307,669	2,506,665	2,542,735	2,391,411	2,290,073	2,228,948	2,161,394	2,266,793
Debt applicable to limit:										
Metropolitan District (MD) bonds	475,035	662,041	585,648	658,837	750,917	822,490	850,645	875,708	928,611	1,003,368
MD commercial paper notes	60,000	60,000	106,600	106,500	106,500	160,000	160,000	183,800	187,500	99,300
Total debt applicable to debt limit	535,035	722,041	692,248	765,337	857,417	982,490	1,010,645	1,059,508	1,116,111	1,102,668
Legal debt margin	\$ 1,237,954	\$ 1,318,115	\$ 1,615,421	\$ 1,741,328	\$ 1,685,318	\$ 1,408,921	\$ 1,279,428	\$ 1,169,440	\$ 1,045,283	\$ 1,164,125

Notes:

- (1) Assessed value of property in the Metropolitan District.
- (2) The County General Bond debt limit on assessed value of real property was changed from 10% to 4% beginning in FY 2007.
- (3) The Metropolitan District debt limit on assessed value of real property was changed from 8% to 3.2% beginning in FY 2007.

* The County has \$1.203 million restricted to repaying the principal of outstanding debt as of June 30, 2016.

Baltimore County, Maryland
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Estimated Population (1)	Total Personal Income (expressed in thousands)	Per Capita Personal Income (2)	Median Age (3)	Education		School Enrollment (4)	Unemployment Rate (5)
					Level in Years of Formal	Schooling (3)		
2007	796,073	38,726,771	48,647	37.9	14.9		105,330	3.7
2008	798,651	40,008,568	50,095	38.0	14.9		104,714	4.5
2009	801,808	38,464,815	47,973	38.0	15.0		103,643	7.9
2010	805,964	39,717,586	49,280	38.4	15.0		103,832	7.8
2011	809,941	41,510,448	51,251	39.1	15.0		104,331	7.9
2012	813,556	43,379,449	53,004	39.1	15.4		105,315	7.7
2013	817,993	43,128,806	52,348	39.2	15.4		107,033	7.3
2014	826,784	44,611,807	53,949	39.2	15.4		108,376	6.5
2015	832,050	46,234,945	55,568	39.2	15.3		109,984	5.9
2016	835,040	47,793,124	57,235	39.1	15.3		111,126	5.4

Notes:

- (1) U.S. Bureau of the Census, Population Estimates Branch.
- (2) Data extracts prepared by the U.S. Bureau of the Census and Maryland Office of Planning.
- (3) Baltimore County Office of Planning
- (4) Baltimore County Board of Education
- (5) Maryland Department of Labor and Licensing Regulation

**Baltimore County, Maryland
Principal Employers
Current Year and Nine Years Ago**

2016			2007		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Social Security Administration/CMS	15,000	4.14	Baltimore County Public Schools	14,482	3.36
Baltimore County Public Schools	14,753	4.08	Social Security Administration	9,800	2.27
Baltimore County Government	7,998	2.21	Baltimore County Government	8,354	1.94
T. Rowe Price Associates, Inc.	4,200	1.16	Greater Baltimore Medical Center	3,331	0.77
Greater Baltimore Medical Center	3,900	1.08	Center for Medicare & Medicaid Services - CMS	2,968	0.69
Towson University	3,456	0.96	Erickson Retirement Communities	2,809	0.65
Franklin Square Hospital	2,829	0.78	Franklin Square Hospital	2,800	0.65
McCormick & Company, Inc.	2,132	0.59	T. Rowe Price Group	2,600	0.60
UMBC	2,017	0.56	Mittal Steel	2,530	0.59
Sheppard Pratt Health Systems	1,913	0.53	CareFirst, Inc.	2,498	0.58
Total	58,198	16.09	Total	52,172	12.10

Source: Baltimore County Department of Economic Development

Baltimore County, Maryland
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL GOVERNMENT										
County Executive	15	15	15	15	14	14	14	14	14	14
Administrative Office	24	24	23	23	23	13	13	13	13	13
Office of Budget and Finance	151	151	163	160	184	132	122	123	124	122
Office of Law	34	33	32	32	30	39	37	33	33	29
Planning & Community Conservation	50	51	49	50	49	41	42	41	44	44
Office of Human Resources	34	32	33	33	32	34	31	33	44	49
Permits, Approvals and Inspections	222	223	224	223	188	202	182	184	186	188
Property Management	-	-	-	-	-	-	315 *	291	288	279
County Council	37	37	37	37	37	37	36	36	36	36
County Auditor	19	19	19	19	19	19	19	18	18	18
Board of Appeals	10	10	10	10	10	9	9	9	9	9
Information Technology	148	148	176	186	186	186	173	173	204	209
Internal Service Funds	59	59	59	59	59	59	55	53	50	50
HEALTH & HUMAN SERVICES										
Department of Health	555	552	550	533	531	526	524	521	541	546
Social Services	199	206	205	213	214	237	190	185	185	197
Social Services - State	17	17	16	12	12	12	12	12	10	10
Department of Aging	338	330	332	332	331	322	285	285	283	283
Environmental Protection and Sustainability	116	116	119	119	119	89	79	97	95	91
Local Management Board	8	9	9	10	7	5	5	5	3	3
Housing Office	67	60	60	60	59	64	49	49	48	59
RECREATION & COMM. SERV.										
Recreation & Parks	347	325	333	336	315	329	191	190	189	174
Economic Development	20	19	19	21	21	16	11	11	11	11
Community Development Block Grants	27	26	25	31	30	27	29	28	27	27
Workforce Development	28	29	32	49	45	48	44	44	46	50
Organization Contributions	1	1	1	2	-	-	-	-	-	-
PUBLIC WORKS	1,160	1,173	1,179	1,181	1,181	1,128	867	867	865	865
SUBTOTAL	3,686	3,665	3,720	3,746	3,696	3,596	3,334	3,315	3,366	3,376

(continued)

Baltimore County, Maryland
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PUBLIC SAFETY										
Department of Corrections	444	471	472	472	473	470	462	463	463	463
Communications Center	193	193	192	187	187	186	186	186	190	190
Police Department	2,550	2,566	2,564	2,590	2,575	2,534	2,524	2,531	2,519	2,527
Fire Department	1,083	1,083	1,098	1,091	1,090	1,082	1,062	1,062	1,062	1,064
SUBTOTAL	4,270	4,313	4,326	4,340	4,325	4,272	4,234	4,242	4,234	4,244
STATE MANDATED AGENCIES										
Circuit Court	97	98	98	100	100	89	89	89	91	91
Orphan's Court	4	5	5	5	5	5	5	5	5	5
Board Of Elections	15	14	14	14	14	14	12	12	12	12
Board Of Elections - State	26	26	26	26	26	26	26	26	26	26
State's Attorney	118	120	123	124	124	122	120	120	120	120
County Sheriff	100	100	100	104	104	104	99	95	95	90
Liquor License Commission	26	26	25	25	25	24	24	24	24	24
Cooperative Extension	2	2	2	2	2	2	2	2	2	2
Cooperative Extension - State	10	8	8	8	8	8	8	8	8	8
SUBTOTAL	398	399	401	408	408	394	385	381	383	378
EDUCATION, COMMUNITY COLLEGE & LIBRARY										
Community College	1,745	1,711	1,777	1,795	1,974	2,060	2,040	1,976	1,936	1,929
Education	14,399	14,472	14,757	14,537	14,606	14,327	14,342	14,472	14,626	14,753
Library	475	477	483	489	495	492	521	522	478	485
SUBTOTAL	16,619	16,660	17,017	16,821	17,075	16,879	16,903	16,970	17,040	17,167
TOTAL	24,973	25,037	25,464	25,315	25,504	25,141	24,856	24,908	25,023	25,165

Source: Baltimore County Office of Budget and Finance Budget Documents

* Organizational shift in personnel with the majority of employees coming from the Department of Public Works and Recreation and Parks.

Baltimore County, Maryland
Operating Indicators by Function
Fiscal Years 2006 - 2015

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CIRCUIT COURT										
Cases and Appeals Filed	17,718	19,630	20,000	18,606	19,885	15,924	16,443	17,116	18,008	17,855
Civil	8,274	8,125	8,250	9,290	10,211	10,648	10,751	10,536	10,159	10,158
Criminal	4,244	4,566	4,750	3,872	3,852	3,495	3,362	3,452	2,980	2,777
Juvenile	755	721	750	697	783	827	815	816	859	806
Custody Mediation & Investigations										
OFFICE OF STATE'S ATTORNEY										
Defendants Disposed										
New and Reopened Crime Cases	60,450	55,675	55,152	58,042	64,097	63,653	63,540	64,520	65,927	63,970
Juvenile Respondents	4,100	3,375	3,426	3,865	3,244	2,941	3,465	3,384	3,312	3,196
POLICE DEPT. (calendar year)										
Calls for Service	599,818	590,341	618,713	626,783	604,706	579,614	564,898	609,026	571,436	582,894
Patrol Car Posts	118	118	118	118	118	118	118	118	118	118
FIRE DEPT. (calendar year)										
Fire Calls	27,721	28,529	29,012	29,196	30,175	31,197	29,939	30,084	53,211	81,689
Medical Calls	97,084	104,329	107,374	84,450	86,844	87,454	91,083	95,724	103,557	108,643
DEPT. OF PERMITS & DEV. MGT.										
Inspections										
Plumbing Code	36,800	33,776	32,468	24,298	21,534	20,090	22,135	23,286	29,509	27,146
Electrical Code	33,500	33,920	33,101	31,045	25,466	30,572	26,477	24,741	28,428	27,628
Building	42,800	36,173	35,958	28,422	26,693	26,276	25,872	24,722	24,587	29,606
Business & Amusement License	6,600	9,000	9,000	7,800	8,400	8,400	8,400	8,400	5,400	4,967
Enforcement	43,008	84,953	106,192	39,852	38,200	37,090	36,080	36,107	41,758	39,490
Applications, Permits and Licenses										
Building, Electrical &										
Plumbing Permits	36,696	31,036	26,900	20,331	21,174	21,835	22,480	23,286	28,155	33,857
Electrical Licenses	3,280	1,460	1,100	3,832	3,934	4,134	4,201	4,329	4,204	150
Plumbing Licenses	2,780	2,775	2,800	2,712	2,758	2,850	2,949	3,002	108	2,843
Animal Licenses	18,570	21,730	23,000	21,427	18,672	18,000	18,000	18,000	13,000	14,054
Miscellaneous Permits	8,642	8,520	14,550	7,232	7,003	7,000	8,806	8,900	8,391	8,104
BUREAU OF CORRECTIONS										
Prisoner Days (daily population x 365 days)	455,885	491,930	529,980	510,905	502,014	508,473	530,122	518,300	472,373	457,358
COUNTY SHERIFF										
Prisoners Transported	11,850	19,318	24,000	18,580	19,029	22,518	24,356	25,300	20,855	22,602
Summons, Writs Served	50,000	43,941	47,216	41,103	43,855	40,687	42,362	45,000	44,213	42,043
DEPT. OF SOCIAL SERVICES										
Average Caseload										
Temporary Cash Assistance	2,365	2,064	2,027	2,073	2,304	2,919	3,163	3,149	2,962	2,969
Transitional Emergency Assist.	2,200	1,047	1,017	1,052	1,225	1,408	1,333	1,293	1,798	1,645
Section 8 Housing Units Served	68,568	69,540	66,914	69,235	66,186	71,688	72,288	73,188	73,488	75,918

(continued)

Baltimore County, Maryland
Operating Indicators by Function
Fiscal Years 2006 - 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
COMMUNITY COLLEGE										
Equivalent Full Time Students	17,199	17,108	17,005	16,380	20,137	20,966	20,894	19,883	19,628	18,234
DEPARTMENT OF AGING										
Senior Centers Registered Membership	15,185	16,685	15,547	14,491	14,991	16,477	17,600	18,000	19,038	19,081
County Ride Trips	47,898	65,227	64,719	67,142	65,720	66,686	68,225	70,229	40,963	44,800
Congregate Meals	200,472	190,079	179,986	168,476	193,091	131,096	140,508	156,038	120,215	108,864
DEPARTMENT OF HEALTH										
Center Based Services Visits	12,700	11,753	11,058	10,522	13,231	13,019	12,894	12,680	11,829	13,453
W.I.C. Nutrition Program Visits	53,000	58,596	59,500	72,530	75,584	79,359	80,089	75,000	78,636	79,570
Home Health Visits	7,363	8,500	8,500	12,953	11,477	10,466	10,290	10,444	10,270	7,484
DEPT. OF EDUCATION										
Student Enrollment	108,015	106,182	104,988	103,643	103,832	104,331	105,315	106,885	108,376	109,984
BOARD OF LIBRARY TRUSTEES										
Books in Library	1,643,714	1,546,231	1,554,270	1,629,143	1,718,261	1,678,782	1,805,836	1,800,000	1,917,385	1,764,617
Circulation of Materials	9,526,920	9,147,294	9,579,090	10,217,972	10,130,476	10,507,820	10,577,067	10,437,437	11,287,133	11,212,886
Requests for Information	1,752,709	1,948,470	1,992,338	1,966,948	1,951,241	2,115,860	1,984,668	1,984,668	1,513,434	1,473,342
DEPT. OF PUBLIC WORKS										
Highways										
Miles of Road Paved	2,620	2,646	2,652	2,656	2,666	2,678	2,680	2,684	2,689	2,692
Miles of Streets Swept	7,160	6,235	3,812	4,047	3,777	3,397	3,800	3,800	3,861	1,598
Solid Waste										
Refuse Collection Units Served	322,460	326,555	327,277	327,959	328,325	328,918	329,688	330,213	331,287	332,463
Tons of Refuse Collected	376,835	370,048	375,000	342,896	347,010	342,557	340,835	341,000	348,730	321,426
Traffic Engineering										
Signs Installed and Repaired	8,550	9,695	11,000	12,200	8,500	13,500	14,464	15,500	10,960	11,913
Signals and Flashers Maintained	388	395	397	399	403	403	404	406	406	406
Number of Street Lights	40,117	40,870	41,100	41,161	41,279	41,448	41,546	41,650	41,788	41,900
Utilities										
Miles of Sanitary Sewer Lines	3,087	3,060	3,077	3,085	3,137	3,142	3,149	3,145	3,160	3,164
Miles of Water Main	1,950	2,055	2,129	2,080	2,105	2,109	2,107	2,108	2,139	2,143
Miles of Storm Drain Lines	810	833	853	866	844	902	899	900	1,393	1,357
RECREATION AND PARKS										
Community Center Participants	343,724	380,900	403,278	423,641	319,400	299,089	275,462	280,000	208,159	200,876
Attendance:										
Beaches	47,975	49,451	55,000	55,715	58,454	57,900	41,392	42,000	46,120	38,752
Lodge	168,627	172,375	176,000	172,913	171,533	176,366	186,696	188,000	167,204	188,355
Fishing Center	30,590	28,873	30,000	27,240	26,647	23,561	27,888	28,000	23,704	22,890

Source: Baltimore County Office of Budget and Finance Budget Documents

Baltimore County, Maryland
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013*	2014	2015	2016**
Public safety										
Police stations	10	10	10	10	10	10	10	10	10	10
Fire stations	25	25	25	25	25	25	25	25	25	25
Public works										
Highways and streets										
Streets (miles)	2,646	2,659	2,664	2,674	2,676	2,679	2,684	2,684	2,691	2,692
Streetlights	40,100	41,000	41,100	42,000	42,000	42,000	42,020	42,100	42,240	42,255
Traffic signals	396	397	400	401	401	401	401	401	401	401
Utilities										
Water mains (miles)	2,035	2,055	2,080	2,105	2,109	2,107	2,109	2,110	2,112	2,112
Fire hydrants	12,082	12,217	12,410	12,660	13,260	13,295	13,347	13,357	13,370	14,288
Sanitary sewers (miles)	3,100	3,078	3,084	3,137	3,142	3,148	3,151	3,153	3,160	3,164
Storm drains (miles)	833	853	866	884	902	899	1,416	1,423	1,423	1,462
Solid waste										
Citizen drop-off centers	3	3	3	3	3	3	3	3	3	3
Culture and leisure										
Parks acreage	15,304	15,501	15,779	16,149	16,435	16,641	16,743	16,797	16,873	13,202
Recreation centers	188	192	195	199	202	205	205	205	206	206
Health and human services										
Senior centers	19	19	19	19	19	20	20	20	20	20
Health centers	7	7	7	7	7	7	7	7	7	7

Source: Baltimore County Office of Budget and Finance Budget Documents and Accounting Records

* The large increase in storm drain pipe miles is due to this being the first year using the GIS as a data source.

** The large decrease in park acreage has occurred because prior to FY 2016 park acreage was estimated based on the Maryland State standard calculation of providing 30 acres of parkland per thousand citizens. The number presented above for FY 2016 is the total acres of County owned and leased parks, undeveloped park sites, greenway reservations, and open spaces.